	Audit Advisory Committee 20 March 2018
	Report from the Chief Finance Officer
Internal Audit and Counter Fraud Progress Report (Quarter 3)	

Wards Affected:	N/A
Key or Non-Key Decision:	N/A
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	Four: <ul style="list-style-type: none"> • 3rd Internal Audit & Counter Fraud Progress Report – 2017/18 • Blue Badge Fraud and Enforcement Review • Fraud Awareness Plan 2018/19 • Annual Counter Fraud Plan 2018/19
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Michael Bradley Head of Audit and Investigations Email: michael.bradley@brent.gov.uk Tel: 020 8937 6526

1.0 Purpose of the Report

- 1.1 This report provides an update on the progress against the Internal Audit Plan for the period 1 January 2018 to 28 February 2018. Appendix 1 to the report also summarises those audits from the 2017/18 plan which have been finalised since the last meeting of the Committee. The report also provides a summary of counter fraud work for the period 1 October 2017 to 31 December 2017 (Quarter 3).

2.0 Recommendations

- 2.1 That the Audit Advisory Committee notes the progress made in delivering the 2017/18 Internal Audit Plan and the counter fraud work in the period of the report.

3.0 Detail

- 3.1 The key points to note with regards to progress for the current year are:
- There were initially 62 audit projects included within the agreed 2017/18 plan (excluding follow up and advisory work). Work has commenced on 23 of these. See Table 5 for list of audits in progress. As previously reported, a number of reviews have been amalgamated, deferred and in some cases deleted. A final reconciliation and full details of movements will be provided in the final progress report for 2017/18.
 - 16 audits from the 2017/18 plan have been completed to draft or final stage:
 - GDPR;
 - Pension Fund Administration;
 - IT Disaster Recovery;
 - Contract Management R&ES;
 - Leasehold Management and Service Charges;
 - Continuous Audit Monitoring (CAM) Phase 1;
 - HR Contract Administration;
 - Payroll;
 - BACS Payments;
 - Asset Management;
 - Capital Programme Management;
 - Introductory Tenancies;
 - PCI Requirements;
 - Extended Troubled Families Grant Claims – 2 claims (October 2017 and December 2018);
 - Barham Trust (Accounts Certification), and
 - Schools Follow Up work.
 - Ten of these audits have an assurance opinion associated with them. Four have reasonable assurance (Leasehold Management; CAM; BACS Payments; PCI Requirements) and four have limited assurance (Payroll; Pensions Administration; IT Disaster Recovery, and Asset Management;). Two are still in draft and awaiting exit meetings (Introductory Tenancies and Capital Programme Management)
 - The remaining six relate to consultancy work which do not have an assurance rating attached.

Table 1 – Summary of Audits Completed Since last audit report





Total Number of Audits Completed	Substantial 	Reasonable 	Limited 	None 	Non Assurance	Total
Finals	-	3	4	-	6	13
Draft	-	1	-	-	-	1
	-	4	4	-	6	14

Table 2 – Audits Removed from the Agreed Plan

Audit	Reason
Continuous Audit & Monitoring - Phase 2 (Resources)	Full audits of key financial systems included in 2018/19 Internal Audit Plan
School Place Sufficiency – (C & YP)	Removed at request of management
Effectiveness of Working across Department (C & YP)	Removed at request of management.
Major Capital Works – Schools Thematic	Removed due to lack of resources. Full audit of schools to be undertaken in 2018/19.
Special Education Provision – Schools Thematic	Removed due to lack of resources. Full audit of schools to be undertaken in 2018/19.
Fraud and Financial Management – Schools Thematic	Removed due to lack of resources. Full audit of schools to be undertaken in 2018/19.
Service Review Implementation (R&ES)	Removed following discussion with management at audit request.
Service Planning & Risk (R&ES)	Removed following discussion with management at audit request.
Code of Governance – Review of Council Constitution (CE)	Removed at the request of management. Audit to be deferred.
Quality of Care (C &WB)	Replaced with Safeguarding Adults
Stock Control (Libraries)	Deferred to 2018/19
Collection of Fees & Fines (Libraries)	Deferred to 2018/19
Assurance Mapping (BHP)	Removed from plan due to transfer of BHP back to Council control.
Health & Safety (Asbestos)	Deferred to 2018/19
Change Management (BHP)	Removed from Plan
Treasury Management	Deferred to 2018/19
Home Care Consultancy (C & WB)	Removed from plan at the request of management
Learning Disabilities (Residential Care) (C&WB)	Deferred to 2018/19
Integrated Asset Management Follow Up	Not required as covered by previous BHP Improvement Plan.

Table 3 – Audits in Progress

Audit
Risk Management Review – fieldwork
IT Security and Access Management – fieldwork
Transport Shared Service – field work
Troubled Families Review - fieldwork
Use of Temporary Workers – fieldwork
Voids Contract Management - fieldwork
Corporate Governance - fieldwork

Table 4 – Audits Completed and in Progress for Investing for Brent (I4B)

Audit
Governance, Risk Management and Financial Management – Final Report issued
Benefits Realisation, Management Information and Reporting Final report issued

Table 5 – Delivery Status as at February 2018

Delivery Status	
Total number of reports to be delivered in current plan	32 (revised)
Number of draft/ final reports/certifications issued to date	16
% of reports issued to date	50%

- 3.2 There has been a number of amendments to the initially agreed audit plan. Audit owners have been consulted on all changes. Requests for additional work have been accommodated. The service has completed a restructure and is now in the process of recruiting to a number of posts in both the Internal Audit and Investigations teams.

3.3 Follow Up of 2016/17 Audit Recommendations

The Public Sector Internal Audit Standards requires the Head of Internal Audit and Investigations to establish a process to monitor and follow up management actions to ensure that they have been actively implemented or that senior management have accepted the risk of not doing so.

The following audits have been followed up since the last report to the Committee:

- S106 & Community Infrastructure Levy;
- Chalkhill Primary School;
- Mora Primary School;
- Leopold Primary School, and
- Wykeham Primary School.

Public Sector Internal Audit Standards

- 3.4 The Head of Audit and Investigations undertook a self-assessment of the Public Sector Internal Audit Standards (PSIAS) against their Quality Assurance and Improvement Plan checklist. The results and action plan were the subject of a separate report to the Committee. An update on progress against the plan is being reported separately to the Committee.
- 3.5 In addition, the standard also requires the internal audit function to be reviewed by an external organization at least every five years. The Internal Audit function has nominated itself for a peer review with the lead authority. The review is now likely to take place in the summer of 2018.

Counter Fraud Progress Report 2017/18 (Quarter 3)

Internal Fraud

- 4.1 There have been 12 new referrals received during Q3 and a total of 26 referrals this year. This includes protected whistleblowing disclosures and a range of case types. It does not include related proactive work or review of the National Fraud Initiative (NFI) data matches.
- 4.2 The four cases where fraud/irregularity was identified involved discrepancies with payroll, irregular bank card transactions and a breach of information security. In each case, appropriate remedial action was taken by management.

Table 6 – Internal Fraud

Internal Fraud	2017/18 Q3	2016/17 Q3	2017/18 Q2	2016/17 Q2	2017/18 Q1	2016/17 Q1	2017/18 (year)	2016/17 (year)	2015/16 (year)
Open Cases b/f	12	15	16	22	16	22	16	22	21
New Referrals	12	8	6	4	8	10	26	28	42
Closed Cases	11	5	10	11	8	10	29	34	31
Open Cases c/f	13	18	12	15	16	22	13	16	22
Fraud/Irregularity Identified ¹	4	2	2	4	2	2	8	12	9
Dismissal	0	0	0	1	0	0	0	1	3
Resignation	1	0	0	0	0	1	1	2	5
Warning	1	0	0	1	1	0	2	1	1
Other Outcome (see below)	2	0	2	2	1	1	5	8	4

- 4.3 There has been an increase in internal referrals logged during Q3 compared with the previous two periods. This includes whistleblowing referrals concerning various types of officer conduct. It should be noted that the increase in this type of referral has coincided with a requests that all whistleblowing events are referred to the Audit and Investigations team as well as an increased presence on the council's website that enables members of the public to report all fraud. Four referrals were received from the public in this quarter, which equals the total amount received in both Q1 and Q2.
- 4.4 One referral that has been prominent during Q3 (and into Q4) concerned well documented allegations relating to traces of asbestos found at Paddington Cemetery in May 2017. This was initially reported to the Audit and Advisory Committee (AAC) in December.

¹ NB: Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action).

Anti-Fraud Policies

- 4.5 A recent refresh of the Anti-Fraud and Bribery Policy and the Whistleblowing Policy along with the introduction of a new Anti-Money Laundering Policy was approved by the AAC on 5th December 2017. The Investigations team have drafted a publicity plan to promote these policies throughout the Council and amongst all stakeholders to increase awareness, generate better quality referrals and raise the team's profile. The plan is further explained below (4.26).

Tenancy and Social Housing Fraud

- 4.6 The recovery of social housing properties from fraud investigations has a positive impact upon the temporary accommodation budget and remains a high priority risk area for the Council. The Audit Commission has estimated that the average national value of each recovered tenancy is £18,000*. A more realistic value is £93,000 as reported by the Cabinet Office (National Fraud Initiative 2016). These are notional values and for consistency in reporting, we use the lesser value. The counter fraud activity up to the second quarter of the year is summarised in table 7.

Table 7 – Tenancy and Social Housing Fraud

Housing Fraud	17/18 Q3	16/17 Q3	17/18 Q2	16/17 Q2	17/18 Q1	16/17 Q1	2017/18 (year)	2016/17 (year)	2015/16 (year)
Open cases b/f	61	139	76	160	82	121	82	121	174
New Referrals	51	54	36	90	27	140	114	332	250
Closed cases	65	78	51	111	33	101	149	371	314
Open cases c/f	47	115	61	139	76	160	47	82	121
Fraud Found	21	9	7	13	6	13	34	52	73
Recovered Properties	19	8	7	11	5	10	31	44	63
Applications Refused	0	0	0	0	0	0	0	0	2
Property Size Reduced	1	0	0	2	1	1	2	4	5
Right To Buy	1	1	0	0	0	2	1	4	3
Value of properties recovered*	£342,000	£144,000	£126,000	£198,000	£90,000	£180,000	£558,000	£792,000	£1,134,000
Value of property size reduction ^{2*}	£18,000	0	0	£36,000	£18,000	£18,000	£36,000	£72,000	£90,000
Value of Right to Buy Discount Prevented ^{3*}	£103,900	£103,900	0	0	0	£207,800	£103,900	£311,700	£282,000
Cases with Legal for Possession/Prosecution	13	27	19	37	25	33	13	26	18

4.7 A total of 34 properties with a notional value of £360,000 were recovered as a result of fraud/irregularity up to the end of Q3. This is comparable to last year's performance in this period, where 35 properties were recovered. We believe, however, there may be a temporary dip in recoveries in the final quarter due to a slow-down in referrals as well as the temporary disruption of a service restructure.

4.8 The total referrals between Q1 and Q3 are lower compared with the same period as last year. However, referral quality has increased and the fraud detection rate of closed cases has remained constant. Higher referrals in the previous two years was a result of proactive work relating to perceived risk factors such as tenants not reporting repairs for a long period. This type of rationale has resulted in a low detection rate despite apparently higher referrals. This approach to proactive work has been revised - the focus in future will be on intelligence-led proactive exercises with improved collaboration with the

² Notional value of recovered properties used for reporting is £18,000

³ Actual amount of RTB discount stopped

Tenancy and other relevant housing teams.

- 4.9 One notable case was a Council tenant whose Right to Buy (RTB) application had been stopped in Q3 with an actual discount saving of £103,900. The investigation found that the tenant entered into an irregular loan agreement with a private company with no means to repay the loan.
- 4.10 In addition to reporting successful tenancy recoveries, the Investigations team undertake detailed value added work even when a tenancy is not recovered. In most of these cases where no further action is taken, the team will often complete a tenancy verification including confirmation of the entire household composition. This will be held on the tenancy file and contributes towards the Tenancy team's objectives. By completing these verifications it serves to prevent fraudulent tenancy succession claims where an applicant may dishonestly claim to reside at a property. During Q3, a total of 15 cases have been closed with no fraud/irregularity and a tenancy verification completed. This is in addition to another 12 cases closed during Q2.
- 4.11 Engagement with the Tenancy and RTB teams has continued during Q3 to enhance joint working, verification processes and increase the quality of referrals for investigation.
- The Investigations team has provided both teams with a specifically designed referral form for both teams to use when tenancy fraud is suspected.
 - It has been agreed that a collaborative proactive exercise between Tenancy and Investigations will be undertaken to target a high risk area where unlawful subletting is known to be prevalent. This exercise will be intelligence-led and initial preparations have taken place for the exercise to commence during Q4.
 - It is proposed that a proactive review of RTB applications will take place during 2018/19. This is despite the RTB team increasing its verification processes over the last 18 months. The planned proactive approach is because RTB remains a high-value and key risk area for the council.
- 4.12 The table below summarises the key housing tenancy fraud figures. It shows that the team has a total recoveries target of 61 and up to the end of Q3, a total of 34 recoveries has been completed. A further five recoveries have been completed up to 15th February and its anticipated further recoveries will be concluded by the end of Q4.

Housing Tenancy Fraud Summary 2017/18:

2017/18 recovery target: 61

Total Recovered Properties to date:	31	
Total Housing Applications Refused to date:	0	(last 3 year average: 60.67)
Total Property Size Reduced to date:	2	(2016/17 total recoveries = 52)
Total Right To Buy Stopped to date:	1	(2015/16 total recoveries = 73)
Total Recoveries (fraud/irregularity identified):	34	(2014/15 total recoveries = 57)
Value of housing fraud identified to date:	£697,900	

External Fraud

- 4.13 'External fraud' includes all other external fraud/irregularity that affects the council. This will include (but is not limited to) fraud cases involving; Blue Badge, Direct Payments, Council Tax, Business Rates, insurance, finance, concessionary travel and grant applications. The counter fraud activity up to the third quarter of the year is summarised in the table below:

Table 8 – External Fraud

External Fraud	17/18 Q3	16/17 Q3	17/18 Q2	16/17 Q2	17/18 Q1	16/17 Q1	2017/18 (year)	2016/17 (year)	2015/16 (year)
Open cases b/f	22	72	13	106	14	57	14	57	20
New Referrals	16	30	29	30	14	83	59	161	99
Closed Cases	20	89	20	64	15	34	55	204	62
Open cases c/f	18	13	22	72	13	106	18	14	57
Fraud / Irregularity ⁴	6	10	2	3	4	4	12	22	10
Prosecution	1	0	NIL ⁴	1	NIL	NIL	1	2	NIL
Warning / Caution	2	4	NIL	1	NIL	1	2	6	3
Overpayment/Saving	6	5	2	NIL	3	1	11	7	7

- 4.14 This type of referral has remained constant from Q1 to Q3. Half of referrals during Q3 were received from the public using the online fraud reporting tool. It should be noted that although there was an increase of referrals during Q2, 17 of these were self-generated by the team as part of an on-going investigation into an organised Freedom Pass fraud.
- 4.15 Since Q1, the team has led on an organised Freedom Pass fraud investigation involving several councils in London with over 100 fraudulent applications identified to date. The team has so far identified 17 fraudulent Brent applications. The main subject of the investigation has been identified, arrested and released pending further enquiries. The investigation is in collaboration with London Councils, Transport for London and the Police and is being led by Brent Council. The fraud has been prevalent since September 2016 and specifically targeted the 'Partially Sighted' entitlement category using false supporting documentation. This has occurred due to inadequate verification controls on supporting documentation, which was addressed with the service area at an early stage. The potential value of a Freedom Pass is approximately £6,000 per year and the cost to councils is significantly more due to the charging structure with London Councils. The case is currently with Legal for consideration of criminal proceedings under the Fraud Act.
- 4.16 An insurance case was prosecuted in Q1 but due to an administration error it was not recorded until Q3 on the case management system. The defendant pleaded guilty to section 2 of the Fraud Act for attempting to defraud the council

⁴ NB: Where closed cases do not identify fraud / irregularity, these are recorded as NFA (No Further Action)

with a false damage claim to their vehicle. In addition to the claim being repudiated, the defendant was fined £1,800 and ordered to pay costs/surcharge of £870.

- 4.17 One notable case concluded in Q3 was a Blue Badge case that resulted in a formal caution being offered and accepted as an alternative to criminal proceedings. A further case in Q4 has been concluded in this way and resulted in the offender paying a voluntary contribution of £250 towards the investigations costs.

Savings Summary

- 4.18 The table below summarises the main savings (both notional and actual) identified at the conclusion of investigations. Housing Tenancy remains the highest area of savings for the team. The table does not reflect all positive outcomes such as some NFI data matching reviews, which is reported separately (below) and certain internal fraud cases where it may be difficult to accurately identify a value. It should also be noted that whilst the team no longer has the remit to directly investigate Housing Benefit and Council Tax Benefit, it will take appropriate action to ensure these benefits are corrected where fraud/irregularity is identified.

Savings Summary:	Yr to date	Q4 2017/18⁵	Q3 2017/18⁵	Q2 2017/18⁵	Q1 2017/18⁵	Yr 2016/17
Client Funds	38,108.00		0.00	38,108.00	0.00	43,154.95
Council Tax Benefit	2,311.31		2,311.31	0.00	0.00	1,429.64
Council Tax Support	4,617.66		3,434.91	0.00	1,182.75	1,849.91
Council Tax SPD	1,277.03		1,277.03	0.00	0.00	2,483.02
Direct Payments	34,646.90		34,646.90	0.00	0.00	0.00
Housing Application	0.00		0.00	0.00	0.00	0.00
Housing Tenancy	594,000.00		360,000.00	126,000.00	108,000.00	810,000.00
Insurance Claims	2,670.00		2,670.00	0.00	0.00	0.00
Rent Allowance (HB)	14,655.17		0.00	0.00	14,655.17	12,641.11
Rent Rebate (HB)	26,461.07		26,461.07	0.00	0.00	20,255.77
Pension Fraud/Irregularity	7,154.30		1,427.56	2,231.69	3,495.05	0.00
Right To Buy Fraud	103,900.00		103,900.00	0.00	0.00	415,600.00
Blue Badge	1,000.00		1,000.00	0.00	0.00	3,880.00
Section 17 Payments NRPF	0.00		0.00	0.00	0.00	5,074.32
Year to Date Total:	830,801.44	0.00	537,128.78	166,339.69	127,332.97	1,316,368.72

Proactive Counter Fraud activity

- 4.19 Two proactive exercises were closed in Q3;
- **Conflicts of Interest** – this identified some inadequacy in system controls and, although no fraud was identified, it will now form part of next year's internal audit plan.

⁵ Quarter savings breakdown does not include live cases where values have been recorded e.g. prosecution case.

- **Blue Badge** – a proactive exercise was undertaken in July 2017. There were six parking fines issued for Blue Badge related offences. One vehicle was removed, four badges were retained and 12 parking fines were issued for other parking offences.
- 4.20 There were a number of proactive exercises that were planned from Q3 onwards. An update on these are summarised below:
- **Direct Payments** (Q3) – this is underway and involves a review of four cases provided by the client where fraud/irregularity has been suspected. The review includes checks on the decision making process and monitoring of expenditure. To date, no evidence of fraud has been identified and the exercise is expected to be completed in February 2018. A further proactive exercise in this area is proposed for 2018/19.
 - **Business Rates** in high risk industrial areas (Q2) – this proactive has not commenced.
 - **Council Tax** - students (Q2) – this proactive was considered for Q2 but the data supplied is unclear and will need further preparatory work before taking forward. **Procurement** (Q3) – further preparation into this planned proactive is required.
 - **Blue Badge** – one day per month (Q2/3/4) – we have continued with the quarterly, rather than monthly events. The Investigations team has been working with the parking enforcement teams since Q1 to provide training with Blue Badge enforcement, inspection/seizure of badges and retention of evidence. We have also assisted the parking enforcement team to develop an intelligence database to help identify persistent misuse, respond to customer complaints of misuse and target hotspots.
 - **Housing** – visiting high risk blocks / estates (Q4) – initial preparation for this proactive is underway and will be based on known risk areas for unlawful subletting, supported by good intelligence from both teams. It is anticipated exercise will commence during Q4 and will be a collaborative approach with the Tenancy team.
 - **Blue Badge (Q4)** – the Investigations team led on a successful Blue Badge proactive exercise in January which resulted in good publicity. On this occasion, it included officers from the Enviro-crime and Private Housing enforcement teams along with Police officers from Brent's Partnership Tasking Team and representation from the ASB and Crime team. The operation demonstrated excellent collaborative team work and had multiple successes, which are summarised below;
 - **Investigations team and Parking Enforcement**
 - 35 Blue Badges checked
 - 12 PCNs issued (six for Blue Badge related offences)
 - Two vehicles towed for displaying stolen Blue Badges.
 - **Enviro-Crime Enforcement**
 - Five Fixed Penalty Notices for littering.
 - Found five separate pieces of evidence in black bags dumped on the street.
 - Found a knife off High Street Harlesden - taken by the police as evidence.

- **Private Housing Services Enforcement**
 - Identified several properties where the landlord should hold a licence.
 - Identified unlicensed one-bed maisonette with a minimum of 12 occupants.
 - A separate note describing blue badge enforcement activity is attached at **Appendix 2.**
- 4.21 During Q3, the Investigations team has engaged with the Enforcement Managers Practitioner's Group (EPG) to increase awareness of the team and encourage collaborative working. It was a direct result from this engagement that led to the success of most recent Blue Badge operation in January.
- 4.22 The **National Fraud Initiative** (NFI) 2016/17 data matching exercise is now under way following data submission in October 2016 and matches generated since January 2017. There are a total of 20,463 data matches (8,036 are recommended) across the full range of data sets that include Payroll, Pensions, Finance, Creditors, Housing, Benefits, Direct Payments, Insurance, Parking Permits and concessionary travel. All NFI Key Reports have either been reviewed or are under review. To the end of December 2017, the overall summary of NFI work is as follows;
 - Matches processed/reviewed 1035 (to Q1 was 854)
 - Investigating 16 (up to Q1 was 52)
 - Cleared 684 (up to Q1 was 507)
 - Fraud/Error identified 319/3 (no change since Q1)
 - Overpayment/Savings identified **£168,177.44** (no change since Q1).

Notable results from NFI reports reviewed is as follows;

 - Blue Badge data to deceased persons; 447 matches reviewed and 304 fraud/errors found resulting in live badges being cancelled. Notional saving of £152,000 recorded (£500 for each badge cancelled).
 - Brent Pensions to deceased persons; 67 matches reviewed with 12 fraud/error cases found resulting in pensions being terminated and £9,077 being recovered.
 - Insurance multiple claims within Brent; one case identified with a reserve of £7,100 which has been cancelled/withdrawn.
 - In January, Benefits team have started reviewing several Housing Benefit and Council Tax Support related reports. The reports include matches against both Brent's and other organisations' payroll and pensions records. An update on these results will be reported in the next report but early indications are that there are a few discrepancies with the majority of data matches either already known or previously resolved.
- 4.23 This year we have introduced an enhanced risk scoring system for all types of referrals to complement our existing intelligence checking capability. This has helped to screen referrals and focus resources on higher priority cases.
- 4.24 In June 2017, the Investigation team introduced an online fraud reporting tool for both the internet and intranet (links below), which allows informants to provide information anonymously or supply their contact details. Current figures suggest the system is effective with an increase of online referrals from the

public and a slight decrease in telephone referrals as set out in the table below.

Period	Online referrals	Hotline referrals
Q1	15	5
Q2	24	2
Q3	32	4
Q4 ⁶	21	2

- external; <https://www.brent.gov.uk/firmstep/forms/report-fraud/>
- internal; <https://internal.brent.gov.uk/firmstep-intranet-forms/fraud-affecting-the-brent-council/>

- 4.25 At the end of Q2 the Investigations team introduced a **Simple Caution** process as a disposal method for suitable first-time and low-level criminal offences as part of our sanction authorisation procedure. This acts like a Police caution and can be taken into consideration for future offences. This process falls within the scope of the Anti-Fraud and Bribery Policy. Two cautions (one in Q4) have been processed, both for Blue Badge related offences with £250 received in voluntary contributions.

Fraud Awareness Plan 2018/19

- 4.26 A refresh of the main Anti-Fraud policies was approved by the Audit Advisory Committee on 5 December 2017. This has enabled the Investigations team to promote these policies throughout the Council and amongst all stakeholders to increase awareness, generate better quality referrals and raise the team's profile.
- 4.27 A significant amount of engagement has already commenced as set out in this report and also includes ongoing liaison with all service areas and updating the content of our intranet and internet pages, which has helped to increase referrals. An awareness plan for 2018/19 is set out in **Appendix 3**.

Counter Fraud Plan 2018/19

- 4.28 Since 2014, the Investigations team has taken a generic approach to counter fraud work rather than in previous years where it had specialist teams to investigate specific fraud types. In addition to this approach, the investigative resource has also decreased and this has shaped the way in which it operates and sets its priorities. The generic approach requires a more collaborative approach with the Internal Audit team to ensure the whole service maximises its effectiveness for the council.
- 4.29 A new structure for the Investigations team is in place from the start of Q3 2017/18 which maintains the generic approach to investigations but now includes a Counter Fraud Plan for 2018/19. The plan is based on current workload and is designed to be flexible to ensure it provides the best possible service to the council.

⁶ Figures noted are up to 16 February 2018.

- 4.30 The plan sets out the team's current structure and how it aims to manage key priorities and known risk areas affecting the council. It will work alongside the Internal Audit Plan, Risk report and Corporate Risk Register. It will be reviewed each quarter and updated accordingly. The plan is attached as **Appendix 4**.

5.0 Financial Implications

- 5.1 There are no specific financial implications associated with noting this report.

6.0 Legal Implications

- 6.1 None.

7.0 Equality Implications

- 7.1 None.

8.0 Consultation with Ward Members and Stakeholders

- 8.1 None.

Report sign off:

CONRAD HALL

Chief Finance Officer