

Appendix B: Draft Annual Counter Fraud Plan 2019/20

Introduction

The purpose of this report is to set out the Counter Fraud Plan for 2019/20.

Objective

To ensure the resources of the Investigations team are adequately targeted to achieve the aims of the council's anti-fraud policies.

Background

The Investigations team's work is split between reactive and proactive activity. Reactive work largely consists of referrals to the team from the Internal, Housing or External fraud types. Proactive activity is generated from within the service and can incorporate any of the reactive fraud types.

All referrals are risk assessed so that resources can be targeted efficiently. The overall counter fraud resource allocation for 2019/20 is as follows:

- **Housing** (including related proactive work)* = 50% (minimum) 570 days;
- **Internal / Whistleblowing**** = 15% 170 days;
- **External***** = 15%, 170 days, and
- **Proactive** (including NFI, fraud awareness, raising team profile and any developing additional anti-fraud initiatives) **** = 20%, 225 days.

* **Housing** remains a key fraud risk area and includes unlawful subletting, non-residency, successions / false assignments, housing/homeless applications and Right to Buy. Housing proactive work will be included within the 50% where possible to assist with the fraud awareness/ raising profile objective. Ongoing proactive work will include our existing involvement with 'Gas Forced Entries' for council tenancies, which has been demonstrated to be a good source of fraud detection and higher referral quality. NB: Info Sharing Agreements with Housing Associations/RSLs will be reviewed/renewed. We will review our working practices with these organisations as some now use private investigators, credit reference agencies and other fraud prevention systems to help recover their properties i.e. there is less reliance on LA fraud teams to investigate their tenants.

** **Internal / Whistleblowing** is almost impossible to predict and quantify due to its nature. A high priority, or more complex, case can quickly take up team resource e.g. serious financial irregularity or corruption allegation. The fraud type affects all areas of the council and will often take priority. In most cases, the decision to investigate will be taken regardless of what the initial intelligence suggests and as such, increased planning and managing client expectations becomes a significant factor. It is probable that during 2019/20, the time spent in this area will be higher than 15% especially with related plans for raising fraud awareness and team profile.

*** **External** will include Blue Badge, Council Tax, Business Rates and all application-based fraud types. The capacity to manage this area of fraud has historically been affected by the higher priority fraud types above. The team will be developing additional anti-fraud initiatives including other enhanced data-matching tools to prevent and detect fraud.

**** **Proactive** (including NFI, fraud awareness and developing additional anti-fraud initiatives). All the above fraud types are reactive and therefore difficult to quantify. The counter fraud plan will be predominantly made up of proactive activity based on known and intelligence led key fraud risk areas, fraud awareness/publicity plans, corporate risk register and Internal Audit delivery. Example 1: Housing Tenancy high risk areas. Example 2: Staff Identity Checks in key service area in conjunction with fraud awareness plan. Example 3: specific proactive in Essential User Permits following internal audit completion. The proactive area will be the easiest to quantify in terms of a counter fraud plan e.g. planned Blue Badge operations, fraud awareness workshops / service engagement in key fraud risk areas and review-based proactive work (i.e. NFI).

IMPORTANT: It should be noted that due to the often confidential and sensitive nature of the team's work, a certain amount of activity cannot be published in advance.