

Counter Fraud Update

Gravesham Borough Council

For the period:

1 August – 30 September 2023

1. Introduction

- 1.1 The Internal Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The service provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud
- 1.2 The Counter Fraud team reports periodically to senior management and the Finance & Audit Committee to provide updates on all counter fraud activity and the results of completed investigations.

2. Executive Summary

- 2.1 Despite the relatively short reporting period of only two months, there has been continued activity in most areas of the counter fraud plan and a further 13% of estimated resources delivered during the period. One of the counter fraud officers continues to progress well with their apprenticeship and our newest Intelligence Analyst now commenced the Intelligence Analyst apprenticeship.
- 2.2 The development of fraud awareness sessions was completed, and a number of dates made available via the iShare training platform during October and early November on the run up to International Fraud Awareness Week and discussions have been taking place with the Communications team about social media publicity during that week.
- 2.3 Fraud risk assessments have progressed at pace and only a few remain outstanding, but officers have meetings scheduled with services to get these completed.
- 2.4 Work arising from the various National Fraud Initiative exercises is up to date, with a limited number from the most recent exercise outstanding, which is in part due to additional matches being received more recently. Discussions have been taking place with other services in relation to other pro-active activity that could be undertaken.
- 2.5 Investigative activity in the reporting period has identified cashable savings of £59,558 and the team continue to progress a number of investigations.
- 2.6 Good liaison has been maintained with the Police and other investigative bodies, with all requests for information responded to within set timescales.

3. Resources

- 3.1 The Internal Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The Counter Fraud team consists of; the Head of Internal Audit & Counter Fraud (0.35FTE), one Counter Fraud Manager, four Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (1.86FTE).
- 3.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 75% for Medway, with the remaining 25% for Gravesham. The establishment at the time the Counter Fraud Plan for 2023-24 was prepared, was forecasted to provide a total of 244 days available for counter fraud work (net of allowances for leave, training, management, administration etc.). The Counter Fraud Plan for Gravesham was prepared with a resource budget of 244 days for counter fraud work, along with a further 85 days for management of this activity.
- 3.3 Net staff days available for Gravesham for the period 1 August to 30 September 2023 amounted to 63 days, and delivery of approximately 26% of projected resource. Of this chargeable time, 3.6 days (6%) was spent on fraud awareness and prevention activity, 1.3 days (2%) on pro-active counter fraud

activity, 52.1 days (83%) on reactive investigation activity and 6 days (9%) on other counter fraud activity. The current status and results of work carried out are detailed at section 4 of this report.

4. Results of Counter Fraud work

- 4.1 The Counter Fraud Plan 2023-24 for Gravesham was approved by the Finance & Audit Committee in March 2023. The Plan is intended to provide a clear picture of how the council will use the Counter Fraud resource, reflecting all work to be carried out by the team for Gravesham during the financial year.
- 4.2 The tables below provide details of the progress of work undertaken as part of the 2023-24 annual plan and the results of investigative work completed during the period.

Fraud Awareness & Prevention

Ref	Activity	Days used	Current status	Summary of activity
1	Fraud Risk Assessments	1.9	In progress	<p>Officers within the counter fraud team have been liaising with individual services to discuss and identify any fraud prevention controls already in place or further mitigating actions, which have informed the residual risk scores. The bulk of this activity has now been concluded with only elements of Housing and Procurement to be assessed.</p> <p>Once these final assessments have been concluded, the data will be used to create a fraud risk register for the council.</p>
2	Fraud awareness	0.8	In progress	<p>Generic fraud awareness sessions have been made available on the iShare training platform and will be running during October and November. Communication has been issued to all staff to advertise these sessions and there has been a good level of sign up.</p>
3	Corporate Working Groups	0	Not yet started	<p>There have been no requests for attendance at corporate working groups during the report period.</p>

Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
5	National Fraud Initiative	1.3	In progress	<p>All matches (3166) originally received as part of the 2022-23 NFI exercise had been subject to initial checks, although a further 36 matches have since been received. Approximately 24 matches are currently open for further enquiries to be conducted and a further five require initial checks.</p> <p>149 have already resulted in corrective actions, resulting in additional council tax liabilities of £76,144 and additional liability of £48,635 in future years. In addition, 15 people have been removed from the Housing Waiting List, three residents parking permits have been cancelled and six duplicate creditor payments with a total value of £18,939 have been identified and recovered.</p>
6	Kent Intelligence Network	0	Not yet started	<p>To date the KIN activity has been focused on work relating to revenues (NNDR & CTAX), which has been dealt with by the Revenues team with quarterly returns completed. The following information is taken from the Q2 return (01 July to 30 Sep) 2023-24.</p> <p>Business Rates - Seven properties that were not in the ratings list were identified, generating additional business rates of £69,906 and liability of £67,571 per year in future years.</p>

Ref	Activity	Days used	Current status	Summary of activity
				Council Tax – One property added to valuation creating additional liability of £1,807 and £1,857 per year in future years. £14,670 has also been brought back into recovery via debtor tracing. As part of a wider KIN project, the Revenues team have access to credit referencing data that has been used to run data matching on addresses with single person discounts. This has resulted in 55 discounts/exemptions removed/adjusted with additional liability of £26,446 and £26,213 per year in future years.
7	Pro-Active Exercises	N/A	Not yet started	To date we have not undertaken any pro-active activity outside of the NFI data matching process. Now that all vacancies have been filled, we are exploring options for pro-active activity that may be of benefit to the council.

Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	33	Two cases concluded with no evidence of fraud/error. 31 cases concluded with the removal of the council tax discount/exemption or reduction.	£34,470.13 (Historic Liability) £15,087.49 (Additional liability for future years)	N/A	N/A
Tenancy	2	Two cases concluded with no evidence of fraud.	N/A	N/A	N/A

Responsive investigation work: internal investigations

The Counter Fraud Team conduct disciplinary investigations on behalf of HR into a range of matters. Details cannot be provided while investigations are ongoing, but an anonymised summary will be included in updates after the cases are concluded.

Allegation	Investigation activity & recommendations
Nothing to report	

Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	0.1	The team have dealt with a request for information linked to one DWP investigation for housing benefit.
10	Responding to information requests	5.1	The team have responded to 71 requests for information from the Police and a number of other investigative bodies during the period, providing necessary information in accordance with the data protection protocols.
11	Partnership Liaison	0.8	Officers have attended meetings for the Gravesham Serious & Organised Crime Panel.

5. Performance Monitoring

- 5.1 The Counter Fraud Plan includes a suite of 11 performance indicators used to monitor the effectiveness of the team. The monitoring of performance data largely automated through the team's time recording processes and reports available from their case management system. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 5.2 The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for four of the 11 indicators; however, it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

Ref	Indicator	Target	Outturn for period
Non LA Specific Performance Measurements			
CF1	Proportion of staff with professional qualification relevant to counter fraud:	50%	Annual Outturn
CF2	Proportion of non-qualified staff undertaking professional qualification training	50%	Annual Outturn
CF3	Time spent on Professional qualification training:	N/A	1.6 days
CF4	Time spent on CPD/non-professional qualification training, learning & development	25 days	3.4 days
LA Specific Performance Measurements			
CF5	Proportion of estimated resources delivered	N/A	13%
CF6	Proportion of chargeable time spent on: a) Fraud Awareness & Prevention b) Pro-Active Counter Fraud Activity c) Responsive Investigation Activity d) Other Counter Fraud Activity	N/A	6% 2% 83% 9%
CF7	Number of investigations closed	N/A	35
CF8	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	N/A	£59,558 £0 £0
CF9	Number of civil actions resulting from investigative activity a) Civil penalties for negligence b) Right to Buys cancelled c) Council Properties recovered	N/A	0 0 0
CF10	Number of criminal sanctions applied a) Cautions b) Administrative Penalties c) Prosecutions		0 0 0

Ref	Indicator	Target	Outturn for period
CF11	Client, Management and Member satisfaction with Counter Fraud services	90%	A satisfaction survey will be issued at the end of 2023-24.