

Counter Fraud Update

Gravesham Borough Council

For the period:

1 October – 31 December 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 There has been continued activity in all areas of the counter fraud plan and a further 38% 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 is progressing with the Intelligence Analyst apprenticeship.
- 2.2 A number of fraud awareness sessions were made available via the iShare training platform during October and December, and all proved to be very well attended, with some positive feedback received. Fraud risk assessments were completed in all areas and a fraud risk register created to enable a more targeted approach to future counter fraud work.
- 2.3 A number of additional NFI matches received in December 2023 as part of the ongoing 2022-23 exercise are still to be reviewed, along with the 403 matches received as part of the 2023-24 SPD to ERO exercise. Work is ongoing to complete the initial checks on these latest matches to identify the volume that requires further investigation.
- 2.4 Investigative activity in the reporting period has identified cashable savings of £14,000, linked to council tax and the pro-active activity around temporary accommodation. This is lower than in previous reporting periods and is in part due to the resource that has been dedicated to other areas of activity, however, the team continue to progress a number of investigations.
- 2.5 Good liaison has been maintained with the Police and other investigative bodies, with all requests for information responded to well 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 October to 31 December 2023 amounted to 97.3 days, and delivery of approximately 38% of projected resource. Of this chargeable time, 7.9 days (8.1%) was spent on fraud awareness and prevention activity, 16.7 days (17.1%) on pro-active counter fraud

activity, 66.6 days (68.4%) on reactive investigation activity and 6.2 days (6.3%) 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	3.4	Complete	Fraud risk assessments have now been completed across the council and a fraud risk register created. This register will be used to inform the areas of the council where counter fraud activity/resource should be directed in future plans.
2	Fraud awareness	3.0	In progress	Online generic fraud awareness sessions took place via the iShare training platform during October and November, which were very well attended by officers from both councils.
3	Corporate Working Groups	0	Not yet started	There have been no requests for attendance at corporate working groups during the report period.

Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
5	National Fraud Initiative	9.6	In progress	<p>Approximately 3166 matches were originally received as part of the 2022-23 NFI exercise but this has since increased to 3738, the most recent additions received in December 2023. Approximately 389 matches are currently awaiting their initial assessment, and a further six matches are currently open for further enquiries to be conducted.</p> <p>169 have already resulted in corrective actions, resulting in additional council tax liabilities of £100,262 and additional liability of £57,223 in future years. In addition, 15 people have been removed from the Housing Waiting List, three residents parking permits have been cancelled and seven duplicate creditor payments with a total value of £21,939 have been identified and recovered.</p> <p>403 matches were received on 10 December 2023 as part of the 2023-24 annual SPD to ERO exercise. These will be reviewed in due course.</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 Q3 return (01 October to 31 December) 2023-24.</p> <p>£41,258 has been brought back into recovery via debtor tracing.</p> <p>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 77 discounts/exemptions removed/adjusted with additional liability of £42,876 and £41,824 per year in future years.</p>

Ref	Activity	Days used	Current status	Summary of activity
7	Pro-Active Exercises	7.1	In Progress	Pro-active work in respect of temporary accommodation placements has commenced and has so far resulted in the identification of potential fraud in at least two cases, one of which has already been concluded with the cancellation of the placement. Temporary accommodation placements average 182 days, so this will be used to calculate the notional saving attributable to any cancellations resulting from counter fraud activity.

Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	1	One case concluded with the removal of the council tax discount/exemption or reduction.	£229.75 (Historic Liability) £406.22 (Additional liability for future years)	N/A	N/A
Housing	2	One case concluded with the removal of the council tax discount/exemption or reduction. One case concluded with the closure of a temporary accommodation placement.	£109.01 (Historic Liability) £514.85 (Additional liability for future years) £12,740 (temporary accommodation savings)	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	0.7	The team have dealt with two request for information linked to DWP investigations for housing benefit.
10	Responding to information requests	5.5	The team have responded to 142 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	No activity in the reporting period.

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	5.4 days
CF4	Time spent on CPD/non-professional qualification training, learning & development	25 days	2 days
LA Specific Performance Measurements			
CF5	Proportion of estimated resources delivered	N/A	38%
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	8.1% 17.1% 68.4% 6.3%
CF7	Number of investigations closed	N/A	3
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	£14,000 £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.