

## Annex 2: Counter Fraud and Corruption Strategy Action Plan

### Ongoing Activity:

Ref	Action Required	Responsibility	Update	Status
1	Prepare a counter fraud strategy which acknowledges fraud risks facing the council and sets overall counter fraud aims. The strategy should highlight links to existing counter fraud related policies and set out actions required for developing counter fraud arrangements.	Chief Finance Officer / Veritau	<p>A new counter fraud strategy was introduced in 2017 and has been subject to annual review since then.</p> <p>The strategy is expected to be updated in 2020 when the Fighting Fraud Locally board issues a revised counter fraud strategy for local government.</p>	Annual Review
2	Prepare an updated counter fraud policy to take account of the latest national guidance, and reflecting changes to the councils counter fraud arrangements.	Chief Finance Officer / Veritau	<p>An updated counter fraud policy was approved in February 2017. Annual reviews have been undertaken in January 2018 and January 2019.</p> <p>No changes are required at this time, however the Investigatory Powers Act 2018 is expected to grant local authorities additional powers to gather telecommunications data. Also expected in the current financial year are joint working proposals from the DWP. Both these factors may require an update to the policy in the next year.</p>	Annual Review

Ref	Action Required	Responsibility	Update	Status
3	Review and update counter fraud risk assessment.	Veritau	A risk assessment is presented annually to the Audit and Governance Committee (see annex 3 for the 2019 update).	Annual Review
4	Develop regional / local data matching and counter fraud exercises.	Veritau	Data matching is an important area within local authority counter fraud work. It facilitates the detection of frauds that would not normally be detected by members of staff or the public. Data matches can be undertaken internally, with regional partners, and nationally through exercises like the National Fraud Initiative. The counter fraud team is currently developing new projects to highlight fraud within Adult Social Care, Housing, Parking and Council Tax. Current priorities are highlighted in the one-off development section of this plan (see refs 2, 3, 5).	Ongoing
5	Undertake specific fraud awareness training for priority service areas.	Veritau	<p>Training is delivered on a rolling basis depending on priorities and emerging fraud risks. Area specific training has been delivered to the Social Care, Benefits, Council Tax, Business Rates and Parking teams in 2018/19.</p> <p>In addition specific risks and examples of frauds occurring nationally have been flagged to staff through regular email alerts.</p>	Ongoing

Ref	Action Required	Responsibility	Update	Status
6	Review the extent to which counter fraud risks are identified through service risk management arrangements. Assess whether arrangements can be strengthened with additional specialist counter fraud input (eg through risk workshops).	Veritau / Service managers	Service managers are responsible for maintaining service level risk registers. Fraud risk is considered in some areas but not universally. The council's risk management team will be undertaking an exercise to encourage services to review and update risk registers in 2019/20. As part of the exercise managers will be asked to consider fraud risks. Veritau will assist service managers in assessing fraud risks where required.	Ongoing
7	Raise awareness of cyber security issues and promote good practice.	Veritau / ICT department	Veritau monitors national guidance to help raise awareness of cybercrime issues within the council. Veritau will work with the ICT team to coordinate projects to deliver key messages to staff.	Ongoing
8	Review wider governance and other policies (eg employee related policies, gifts, interests, financial regulations) to ensure they: <ul style="list-style-type: none"> <li>• cover all required areas</li> <li>• are consistent with the counter fraud strategy and policy.</li> </ul>	Veritau / relevant policy owners	Council policies are regularly reviewed in the course of Internal Audit work. Any inconsistencies or weaknesses in terms of fraud detection and prevention are flagged to the counter fraud team.	Ongoing

## One Off and Developmental Activity:

Ref	Action Required	Target Date	Responsibility	Notes
1	Review and update whistleblowing policy and procedures.	March 2019	Veritau / HR / Monitoring Officer	The outcome of the review and an updated policy are being presented to the Audit and Governance Committee in the current session.
2	Increase ability to detect procurement fraud.	N/A <sup>1</sup>	Veritau	<p>The counter fraud team is exploring the use of the Competition and Markets Authority's cartel screening tool to detect fraud within council procurement exercises.</p> <p>There are technical issues to overcome to load the software onto council systems. These issues have affected organisations nationally and the CMA is reviewing the product in 2019.<sup>2</sup></p> <p>Once resolved, Veritau will liaise with the relevant departments to develop use of the tool.</p>
3	Improve prevention and detection strategies for Right to Buy Fraud	March 2020	Veritau / Service departments	National reports of detected RTB fraud continued to increase between 2016/17 and 2017/18 <sup>3</sup> . False applications to the Right to Buy scheme remain a significant source of potential financial loss to local authorities. Building on successful strategies employed with other Veritau clients, the counter fraud team will

<sup>1</sup> Revised from March 2019

<sup>2</sup> United Kingdom Anti-Corruption Strategy 2017-22 – Year One Update

<sup>3</sup> CIPFA Counter Fraud and Corruption Tracker 2018

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				deliver training and utilise data matching to increase the likelihood that fraud in this area is detected.
4	Ensure that up to date policies are in place to enable the council to undertake covert surveillance under the Regulation of Investigatory Powers Act (RIPA) and employee monitoring outside of RIPA	August 2019	Veritau / Legal Department / Trading Standards	Covert surveillance and employee monitoring are powerful tools that assist in the investigation of fraud and criminality against and within the council. Up to date policies are necessary for the council to be able to undertake these actions. The counter fraud team will review council policy and recommend changes to ensure that action can be taken should the need arise.
5	Participate in a regional bid to pilot business rates data matching with the National Fraud Initiative	October 2019	Veritau	The Council successfully bid to participate in the pilot alongside a group of councils in North, South and West Yorkshire. Results were returned in October 2018. Matches have been reviewed and positive results already recorded. A number of matches are still under investigation by the counter fraud team and being reviewed by the Council's business rates team and the Valuation Office Agency.

## Completed Activities:

Ref	Action Required	Responsibility	Update
1	Identify tools available for estimating potential fraud exposure / losses. Assess their effectiveness and appropriateness for use as part of counter fraud risk assessment.	Veritau	Discussions have been held with colleagues from other councils and a review conducted to identify potential tools available on the market to estimate local fraud levels. No solutions have been found but we will continue to monitor this area.
2	Consider whether specific targets can be set under each of the Fighting Fraud Locally themes.	Veritau	<p>Fighting Fraud Locally 2016 recommended six themes to measure performance on. Actions already undertaken (and planned) cover all of the themes, although specific targets have not been set. The themes, and examples of activity, are listed below.</p> <p><b>Culture</b> - The council has appropriate policies and strategy in place. Veritau promotes a counter fraud culture through newsletters and alerts as well as targeted fraud awareness.</p> <p><b>Capability / Competence</b> – All of Veritau Investigation Officers are Accredited Counter Fraud Specialists.</p> <p><b>Capacity</b> – The council has access to dedicated counter fraud resources (through Veritau).</p> <p><b>Communication</b> – Fraud issues are routinely communicated to members, managers and staff at the council. The Counter Fraud Team works with service departments in preventing and investigating fraud.</p>

Ref	Action Required	Responsibility	Update
			<p><b>Collaboration</b> – The council works collaboratively with a number of other local authorities, and other partners including the police and DWP.</p>
3	Launch and promote regional fraud hotline.	Veritau	A new 0800 regional fraud hotline number was introduced in 2017.
4	Liaise with HR officers to incorporate general counter fraud awareness training into induction training for all new employees.	Veritau	Veritau working with the Council's Workplace Development Unit put in place a counter fraud e-learning package in 2018 which is now available to new and existing employees.