



COUNTER FRAUD & INVESTIGATION – Q1 AND Q2 PERFORMANCE REPORT

1 PURPOSE OF REPORT

- 1.1 To inform the Audit Committee on the progress of the Counter Fraud & Investigation (CFI) work plan for the Council. This report will also provide the statistical information in relation to the work performed by the CFI.
- 1.2 **The Counter Fraud Strategic Work Plan (the “Work Plan”)**, which can be found at **Appendix 1**, outlines the strategic work plan that was adopted by this committee in September 2024. The Work Plan is designed to increase counter fraud knowledge and work across the Council as well as support the day-to-day role of the CFI. The Work Plan spans 3 years (2024-2027), with updates being given quarterly to this Committee identifying where work is being completed in-line with the Work Plan.

2 LINKS TO COUNCIL’S PRIORITIES AND OBJECTIVES

- 2.1 The CFI are working collaboratively with many departments within the Council, with close working partnerships being the cornerstone of the CFI approach. The activity provided by the CFI links to the Council’s priorities in various ways, none more so than in terms of People and Place. The activity the CFI provide assists in delivering services to the vulnerable residents within our communities as well as assist in recovering social housing from those that are not eligible for such properties. The activity ensures the right services are being delivered to the right people.
- 2.2 The CFI recognises the financial pressures facing local authorities and are keen to raise the profile of the work to assist in saving various departments money by the action it takes or by recovering lost monies through civil and criminal recoveries. This contributes to another of the Council’s priorities; Economy and Growth.

3 RECOMMENDATION

3.1 It is proposed that the Committee **RESOLVES**

To note the report.

4 INTRODUCTION

4.1 The CFI is available for all departments to utilise if staff feel there are any issues that can be resolved by CFI intervention, however its primary role is to ensure those that commit economic crime against the Council are appropriately investigated. The CFI holds professional expertise in all types of economic crime, including theft, fraud, corruption/bribery and have historically worked within service areas such as waste, procurement, revenues & benefits and planning as well as corporate areas such as finance across several local authorities.

4.2 The CFI is also available for members of the public that feel they have a criminal act to report that involves the Council, its property, or its processes and recognise that it is vital for local people to feel there is a way to report these things and their concerns will be investigated.

4.3 The CFI has a robust triage system in place to ensure resources are utilised to maximum effect. The team receives referrals highlighting criminal behaviour from various sources. It is then for CFI to identify, assess and enforce legislation that is in place to protect the Council from various types of criminal behaviour (economic).

4.4 The statistical information below highlights the work that was completed in Q1 and Q2 of this year.

Quarter 1 performance data

- 22 Intelligence Reports have been sent to other law enforcement agencies assisting in their investigations.
- 4 reports of suspected fraud were received in Q1.
- The CFI had 5 active investigations in Q1.
- The value of those CFI investigations was £47,104 in Q1.

Quarter 2 performance data

- 18 Intelligence Reports have been sent to other law enforcement agencies assisting in their investigations.
- 8 reports of suspected fraud were received in Q2.

- The CFI had 8 active investigations during Q2.
- The value of those CFI investigations was £244,736.

4.6 The activity of the CFI is not simply transactional and some of the work completed can be seen by residents within the communities. For example, the CFI Team led a joint Housing/Policing exercise covering 18 addresses on a housing estate on Canvey Island in October 2024. The 2-day exercise ensured all occupied addresses were audited and resulted in subsequent action taken to recover a tenancy found to be illicitly used.

4.7 In addition, a known reported incident involving domestic nuisance to the estate was also addressed with the Castle Point's Community Policing Team (CPT). This work highlights the exceptional working relationship between the CPT and CFI.

4.8 The CFI team is scheduled to present to the Council's Environmental Health and Licensing Team to discuss opportunities for the functions to work closer together to identify and respond to fraud risk and will report back results of this to the Committee at the next meeting.

4.9 In addition, the CFI Manager will be meeting with the Council's new Learning & Development Manager to discuss other areas in which the CFI can further support the Council's response to fraud risk.

5 RISK IMPLICATIONS

5.1 Failure to operate a strong anti-fraud and corruption culture puts the Council at risk of increased financial loss from fraudulent or other criminal activity. Although risk cannot be eliminated from its activities, implementing these strategies will enable the Council to manage this more effectively.

5.2 Properties (assets) could be recovered through the investigation of housing tenancy fraud or assets recovered as a result of criminal activity. This action will benefit the authority by means of returning housing stock to those in need or gaining the assets of those who seek to profit from their criminal behaviour.

6 CRIME AND DISORDER IMPLICATIONS

6.1 Although the investigations that are completed by the CFI are criminal, none involve violence or safety implications to the local community or public in the wider sense. If a situation arose where the safety of any member of staff or member of public became apparent, police assistance would be sought.

- 6.2 The actions of the CFI contribute to the overall detection and prevention of crime within the Local Authority area, which is the responsibility placed on the Council through section 17 Crime and disorder act that requires, amongst other things, local authorities to

‘...the need to do all that it reasonably can to prevent, (a) crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment)...’

- 6.3 The detection of those that commit economic crime against the council directly impacts the ability of the Council to deliver services to those that require them and also satisfies the requirement to ‘prevent crime’.

7 ENVIRONMENTAL IMPLICATIONS

- 7.1 The effects of the CFI and its work do not pose a significant impact on the wider community. The work carried out by the CFI is predominantly reactive and is always due to a criminal offence taking place. If a prosecution is to take place, an equality impact assessment will be completed to determine if the actions of the CFI are justified if there is a detriment to an individual. This will be completed by appropriately trained staff.
- 7.2 All interactions with individuals are to adhere to the principles of the Council as well as legislation that oversees the work completed by the CFI. All persons are treated fairly and equally, with any adjustment to working practices being made to suit the situation faced by officers of the CFI.

8 FINANCIAL IMPLICATIONS

- 8.1 An effective counter fraud and investigation service should save the Council money by reducing the opportunities to perpetrate fraud, detecting it promptly and applying relevant sanctions where it is proven.
- 8.2 The CFI service costs the Council £68,000 per annum. This is the cost equivalent of 1 FTE; however, this then allows access to the vast resources and skill sets held at CFI Thurrock, including Digital Forensic Investigators, Financial Investigators as well as Senior and Strategic management roles.
- 8.3 Any financial implications arising from identifying and managing the fraud risk will be considered through the normal financial management processes. Proactively managing fraud risk can result in reduced costs to the Council by reducing exposure to potential loss and claims.

9 LEGAL IMPLICATIONS

9.1 The Accounts and Audit Regulations 2015 Section 3 require that the relevant authority must ensure that it has a sound system of internal control which: facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk. The work of the CFI contributes to the delivery of this requirement.

10 HUMAN RESOURCES IMPLICATIONS

10.1 Where fraud or corruption is proven the Council will:

- Take the appropriate action, which could include disciplinary proceedings and prosecution.
- Seek to recover losses using criminal and civil law.
- Seek compensation and costs as appropriate.

11 EQUALITY AND DIVERSITY IMPLICATIONS

11.1 There is no decision to be made from this report and therefore an EQIA has not been completed.



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Background Papers:

Fighting & Corruption Fraud locally, the Local Government Fraud Strategy
Crowe Whitehall & Clarke Annual Fraud Indicator 2017

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**Strategy
Action/Work Plan**

Govern:

Key Actions	Update	Lead Officer	Timescales
<p>Develop a communication plan that sets out how we are to publicise and promote the Authority's:</p> <ul style="list-style-type: none"> - Counter Fraud Policy, - Bribery & Corruption - Whistleblowing Policy - Money Laundering Policy; - and the results of the CFI work. 	<p>Meetings are underway with key Operational leads and these will form part of the plan to publicise & promote the Authorities key policies on responding effectively to fraud risk.</p>	<p>Counter Fraud Manager</p>	<p>March 2025</p>
<p>Develop the webpage and intranet page for Counter Fraud & Investigation team.</p>	<p>The page content is in development and will be completed by the agreed date.</p>	<p>Counter Fraud Manager</p>	<p>March 2025</p>
<p>Develop a number of campaigns to run over the next three years, as part of the Communications strategy.</p>	<p>There are several Fraud focused National Campaigns developed by recognised 'steer groups' such as the 'National Anti-Fraud Network', the 'National Fraud Initiative' and the 'Governments Counter Fraud Profession' working groups in which the CFI will adopt for CPC use & promotion. These will form part of Communications Strategy.</p>	<p>Counter Fraud Manager</p>	<p>Continuous Action</p>

Report results of the Counter Fraud team to Audit and Governance Committee	This will continue as previously. A new management reporting system is in the final stages of roll out and this will proficiently monitor & report on the functions performance.	Counter Fraud Manager	Quarterly
Publicise on the Council Website the number of fraud cases as well as other information as part of the Authority Transparency arrangements.	The CFI will work with Castle Points Comms function to ensure that this information is available to be publicised in line with the 'Transparency Arrangements'	Counter Fraud Manager	Yearly
Review and Refresh Policies, if required.	CFI will continue to work alongside the Councils SLT to ensure its Policies remain reviewed and updated whenever required.	Counter Fraud Manager	Yearly

Acknowledge / Prevent / Pursue:

Key Actions	Update	Lead Officer	Timescales
Participation in the National Fraud Initiative.	This work is on-going, and CFI have provided and Key Point of Contact for Castle Point for this task.	Counter Fraud Manager	Every two years – Constant Review
Proactive Counter Fraud Activity - Performance of tenancy checks as part of examination of C/Tax liability, Right To Buy and Housing applications.		Counter Fraud Manager	Not time restricted – Ongoing activity

To explore closer working with housing associations, and undertaking fraud work for other local authorities.	CFI have engaged with a recognised Social Housing provider who has a notable amount of housing stock in the CP area and a potential 'initiative' is being reviewed whereby 'nomination rights' for housing stock could be awarded to CP for investigation work undertaken by CFI.	Counter Fraud Manager	Not time restricted – Ongoing activity
Attend Eastern Counter Fraud Working Group to share ideas and discuss the latest developments with regard to fraud identification and prevention.	This working Group is still in development and CFI will continue to monitor and represent CP.	Counter Fraud Manager	Not time restricted – Ongoing activity
Undertake joint working with the DWP on cases that have a Housing Benefit and/or a Local Authority Tax Support interest.		Counter Fraud Manager	Not time restricted – Ongoing activity

Protect:

Key Actions	Update	Lead Officer	Timescales
Provision of Advice and Guidance to Service areas on internal controls for the prevention and detection of fraud.		Counter Fraud Manager	Annually as part of the Audit Plan
Ensure staff have completed the e-learning fraud awareness training or where not possible,	The staff 'e-learning' package is nearing its completion and will be ready to be rolled out to all CP staff in 2025	Counter Fraud Manager	Annually

<p>have received awareness training through face to face training.</p>			
<p>Complete a detailed review of the key risks of fraud for the authority and identify the appropriate controls are in place to manage such risks. This is known as the Fraud Risk Register.</p>	<p>The CP Fraud Risk Register will continue to be monitored and updated by CFI.</p>	<p>Counter Fraud Manager</p>	<p>Not time restricted – Living Document</p>