London Borough of Hammersmith & Fulham

Report to: Audit Committee

Date: 31/07/2024

Subject: Corporate Anti-Fraud Service Annual Report – 1 April 2023 to 31 March 2024

Report of: David Hughes, Shared Services Director for Audit, Fraud, Risk and Insurance

Responsible Director: Director for Audit, Fraud, Risk and Insurance

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Summary

The Council takes its responsibilities to protect the public purse very seriously and is committed to protecting the public funds it administers. This report provides an account of fraud-related activity undertaken during the financial year 2023/24 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

The Corporate Anti-Fraud Service (CAFS) provides a complete, professional counter-fraud and investigation service for fraud attempted or committed against the Council. It demonstrates the Council's commitment to preventing, detecting, and discouraging fraud and corruption.

The Council identified 235 positive outcomes from 1 April 2023 to 31 March 2024. The fraud identified has a notional value of over £680,000. A further £320,000 of fraud and error was identified through the National Fraud Initiative run by the Cabinet Office.

Recommendation

1. For the Committee to note and comment on the report.

2. For the Committee to note and comment on the Anti-Fraud & Corruption Strategy 2024/27.

Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Priorities
Building shared prosperity	CAFS carries out a variety of proactive measures aimed at prevention and reactive investigations, covering a diverse range of services provided by the Council. By actively preventing and uncovering fraudulent activities and subsequently recovering money and assets obtained through fraud, CAFS ensures the

	safeguarding of essential frontline services for the benefit of residents.
Creating a compassionate council	CAFS undertake both proactive (preventative) and reactive (investigations) counter-fraud activity across a wide range of Council services. By preventing and detecting fraud and recovering fraud loss, it protects vital frontline services and contributes to establishing a caring council.
Doing things with local residents, not to them	CAFS engages with residents and provides multiple reporting channels so that concerns about fraud against the Council can be reported and investigated.
Being ruthlessly financially efficient	CAFS supports the Council in its statutory obligation under Section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of preventing and detecting fraud and corruption.
Taking pride in H&F	CAFS collaborates with a wide range of services to integrate fraud prevention measures into its operations. The service promotes its work, particularly successful outcomes achieved, demonstrating the Borough's commitment to tackling fraud.
Rising to the challenge of the climate and ecological emergency	CAFS seeks to ensure that the service supports the Council's aims and objectives around climate change and carbon reduction.

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Background Papers Used in Preparing This Report

None

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1.   INTRODUCTION

1.1.   This report provides an account of fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2023 to 30 September 2023 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

1.2.   CAFS remains a shared service providing the Council with a complete, professional counter-fraud and investigation service for fraud attempted or committed against the Authority.

1.3.   The report also details activity and performance against the Council's Anti-Fraud and Corruption Strategy to assess its effectiveness, highlights some of

the current and emerging areas of fraud risk and provides an overview of the effectiveness of the Council's arrangements to minimise the risk of fraud.

1.4. Between 1 April 2023 and 31 March 2024, the Council processed 119 new referrals, examined 1,965 NFI matches, and concluded 1,760 investigations. Conclusions varied from successful prosecutions to preventative measures, actions to deter fraud, or no further action if no wrongdoing was found. Out of the concluded cases, 531 resulted in positive outcomes related to prevention or detection.

1.5. The table below shows this activity and details the fraud types.

Activity	Cases	Fraud types	Closed	Live
Live cases as of 01/04/23	233	Tenancy & Housing cases	89	188
New referrals received	119	Internal Staff	6	4
NFI investigated matches	1,965	NFI	1,643	322
Closed investigations. *(Positive outcome 531)*	1760	High/Medium risk fraud	17	14
		Low-risk fraud	4	7
Live cases as at 31/03/24	557	POCA	1	22

1.6. The 531 positive outcomes identified have a notional value of over £1,000,000, detailed in the following table.

Activity	Fraud proved.	Notional Values (£'s)
Housing application fraud	13	52,113
Right to Buy	22	214,900
Advisory Reports	2	6,000
Prevention subtotal	**37**	**273,013**
Tenancy Fraud (*all Council stock*)	18	348,667
Internal Staff	4	19,500
High/Medium risk fraud (*e.g. NNDR, Parking, Social Care*)	10	24,978
Low-risk fraud (*e.g. Freedom passes, Council Tax, SPD*)	12	15,944
Detection subtotal	**44**	**409,089**
Proceeds of Crime (*POCA*)	1	19,710
Press Release	1	2,000
Deterrence subtotal	**2**	**21,710**
National Fraud Initiative (*fraud & error*)	448	320,223
Total	**531**	**1,024,035**

1.7. Calculating notional values helps quantify the financial benefits of counter-fraud efforts and emphasises the significance of directly addressing fraud. This is especially crucial when every single penny should be invested in delivering high-quality services to local people.

1.8. Notional values help quantify the financial benefits of counter-fraud work. They can also highlight the savings achieved through preventive actions. Nevertheless, it is important to acknowledge that not all aspects of fraud can be accurately measured in monetary terms, for example:

- Disruption to service delivery,
- Reputation damage and loss of public trust,
- Negative impact on the organisational culture, especially significant effect on staff morale, recruitment, and retention, or
- Damage to relationships with partners and stakeholders.

1.9   Details of noteworthy cases are reported in Appendix 1.

2.   EMERGING ISSUES

2.1   This section informs members about new fraud types, emerging trends, or risks.

Economic Crime and Corporate Transparency Act 2023

2.2   The Economic Crime and Corporate Transparency Act 2023 (the "Act") has changed how corporate criminal attribution works for economic crimes and added new failure to prevent fraud offences to hold organisations to account if they profit from fraud committed by their employees.

2.3   Failure to prevent fraud offences applies to organisations meeting two of these three criteria: doing business in the UK with a turnover of over £36m, a balance sheet total of over £18m, or more than 250 employees. This means local authorities are included.

2.4   Under the new offence, an organisation will be liable when an employee or agent commits a specified fraud offence for the organisation's benefit, and the organisation does not have reasonable fraud prevention procedures in place.

2.5   The aim is to discourage organisations from ignoring fraud by employees that may benefit them. The offence will encourage more companies to implement or improve prevention procedures, driving a significant shift in corporate culture to help reduce fraud.

2.6   There is a defence to having reasonable procedures in place to prevent fraud, and the suggested guidance follows six principles of compliance: top-level commitment, Risk Assessment, robust but proportionate procedures, due diligence, communication (including whistleblowing) and training, monitoring, and review.

2.7   There is no commencement date for the new offence, but it is expected to be shortly after the government issues the guidance.

3.   WHISTLEBLOWING

3.1   The Council's whistleblowing policy continues to be the primary support route for staff reporting concerns, although, since April 2023, CAFS has received no new fraud referrals via the Council's whistleblowing policy.

3.2   Despite the relatively low level of whistleblowing activity at present, the Council acknowledges the crucial role played by the whistleblowing policy in ensuring protection for individuals who come forward. Therefore, to mark International Fraud Awareness Week (12-18 November 2023), the Council launched Safecall, an independent reporting hotline, marking a significant step towards enhancing transparency and accountability.

3.3   If staff have concerns about anything and do not feel comfortable expressing them directly to a Council officer, they can use the Safecall whistleblowing hotline facility, which also has a website for online referrals.

3.4   Safecall provides a 24-hour, 7-day-a-week service. When contacting Safecall, callers connect to a highly skilled professional call handler. They will be asked to explain the concern in as much detail as possible. Callers may remain anonymous should they wish, but the more information they can give, the easier it will be for the concern to be fully investigated.

3.5   The launch was prominently featured on the intranet, providing contact information, website links for electronic reporting, the Council's whistleblowing Policy, and a brief eLearning module titled LBHF Whistleblowing in the Learning Zone, accessible to all staff members.

4.   ANTI-FRAUD AND CORRUPTION STRATEGY

4.1   The new Anti-Fraud & Corruption Strategy 2024/27 is attached for review in Appendix 2. This latest strategy commenced on 1 April 2024 and builds on the progress made to date. It has been refined to reflect changes to our activity, which will be increasingly proactive, collaborative, and agile to anticipate changing environments. The new pillars will consist of Govern, Understand, Prevent, and Respond.

4.2   The outgoing 2020/23 Strategy has driven the Council's fraud resilience throughout the financial year 2023/24, supporting the five themes: i) GOVERN, ii) ACKNOWLEDGE, iii) PREVENT, iv) PURSUE and v) PROTECT. Therefore, this report has been structured to demonstrate how counter-fraud activity has aligned with that strategy throughout 2023/24 and underpinned these themes.

i) GOVERN

A robust framework of procedures and policies

5.1   The Council has a robust framework of procedures and policies that supports the prevention, detection, and response to fraud within the Council. They promote a culture of transparency, accountability, and compliance, essential elements of an effective anti-fraud strategy.

5.2 The framework not only discourages potential fraudsters but also showcases the presence of set rules and repercussions for fraudulent behaviour. It offers clarity and uniformity, minimising confusion and deterring unintentional or opportunistic fraud.

5.3 Policies and procedures also lay the groundwork for training initiatives, ensuring employees are well-versed in identifying fraud and taking preventive measures through detailed guidelines. Ensuring everyone understands how fraud impacts the Council and how to prevent it will be one of the critical themes of the new Anti-Fraud & Corruption Strategy 2024/27.

ii) ACKNOWLEDGE

Committing support and resources to tackle fraud

6.1 It is vital that the Council can call upon competent, professionally trained officers to investigate suspected fraud. All CAFS investigators are members of the Government Counter Fraud Profession (GCFP), which provides a professional structure with common standards and competencies for those in counter-fraud roles.

Demonstrating that it has a robust anti-fraud response

6.2 Counter-fraud activity is reported to the Audit Committee twice yearly, detailing performance and action in line with the Anti-Fraud and Corruption Strategy.

6.3 CAFS reports on investigation outcomes, including successful detections, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.

6.4 Additionally, sharing successful anti-fraud efforts in the media can show a strong response against fraud and deter others from committing similar crimes by showing the consequences. Seeing the punishment for fraud can make people reconsider their actions, fearing the same fate. It highlights that justice is served and wrongdoings are not tolerated.

iii) PREVENT

7.1 The "Prevent" aspect of the Strategy focuses on detecting and preventing fraud, which is a key part of CAFS's work. It emphasises the importance of improving anti-fraud controls and processes.

7.2 CAFS emphasises to staff and management their duty to prevent fraud and corruption. They raise awareness through training that highlights the risks of fraud and its impact on the Council and the community.

7.3 Tailoring fraud awareness to the relevant departments or services it helps employees better understand how the training relates to their daily tasks. This training also helps staff to feel empowered to act against potential fraud.

Corporate Investigations

7.4 Corporate investigations cover a wide range of different counter-fraud activities. The work in this area is varied and extends beyond counter-fraud investigations to incorporate activities contributing to the organisation's assurance framework.

7.5 Since 1 April 2023, corporate investigation work has included:

Conflict of Interest	CAFS received information that a new employee in Adult Social Care had a close relationship with an external recruitment provider specialising in social care. The employee was found to have an email address associated with the provider and had exchanged emails with them, indicating a conflict of interest. It was also discovered that the employee had signed documents on behalf of the provider and tried to influence senior management to use their services. Following an investigation, the employee was dismissed for gross misconduct based on CAFS's findings.
CCTV	CAFS conducted an independent review and investigation on behalf of the Head of Public Protection in response to a CCTV server failure at one of the Council's hubs. The investigation uncovered two instances of failure. The first occurred despite emergency backup power being activated when a cable became disconnected. The second failure was caused by brick dust entering the server's air filters. The investigation found that the condition of the server room site played a significant role in the failure, although the responsible party could not be definitively determined. Additionally, inadequate access controls hindered CAFS from establishing the exact entry times of staff or contractors into the server room. Recommendations have been provided to address both issues.
School Charity Cheque Fraud Alert	Several schools across the UK have experienced fraudulent activities involving cheques designated for the charity Children in Need. Some banks have identified irregularities and stopped payments. Numerous cheques have been deposited into personal accounts or cashed for higher amounts after being intercepted and altered. Investigations are ongoing, with schools working to recover the funds. Regrettably, one of our schools has fallen victim to this scheme. A cheque originally intended for Children in Need in the amount of £255.05 was tampered with and cashed for £4,000.05. However, the bank responsible for honouring the cheque, which only had one signature, is taking responsibility for the loss because the school's bank mandate explicitly dictates that cheques exceeding £500 must have two authorised signatures, which this one did not.
Property verification	Home Ownership Services sought assistance from CAFS for a scoping exercise to research properties identified for refurbishment to support the Council's Net Zero goals. It is crucial for the Council to determine which properties are owner-occupied to ensure finance caps are only placed on those who are entitled to the support. The work undertaken by CAFS enabled the Home Ownership Services to identify four more properties where the leaseholder was letting the property, ensuring the Service could accurately apply mandatory charging caps to genuine owner-occupied properties.
Voters Register	Vigilant Electoral Services officers flagged multiple suspicious registration applications with matching surnames, similar names, and birthdates for different

	addresses. Despite failing identity checks, some applicants provided documents for further verification. CAFS investigation found forged documents and fake addresses, leading to police involvement. The fraud attempt aimed to create false identities for future financial fraud, but thanks to thorough checks, the applications were rejected, preserving the register's integrity.
Employee Fraud	A member of the public reported a concern to the Council about a maintenance van with LBHF branding parked at a house in Ealing. The van was traced back to its nominated driver through the vehicle registration. The area supervisor was sent to Ealing, where he discovered that one of his operatives was doing private work at the address. The operative took sick leave before any suspension could take place. CAFS was brought in to investigate and found that the van had been driven to five different addresses outside of LBHF during working hours. However, before the investigation could be completed, the operative resigned. Despite the resignation, the Council still considers disciplinary action in cases of potential misconduct. In this situation, the cost of further investigations and the impact on senior officers led to the decision not to proceed, and the resignation was accepted.
Dual working	Human resources were notified of a potential case of employee fraud after a team manager expressed concerns about an agency worker. Having been hired in August 2023, the manager became aware of rumours that the individual was working elsewhere. CAFS was tasked to investigate the concerns, and these enquiries revealed that the employee had also been working for another London council since March 2023, but they should have disclosed this information when they joined LBHF. Supported by the evidence obtained, the team manager undertook a fact-finding interview with the employee per the Council's policy, but the employee terminated their position with immediate effect.

Housing/Tenancy Fraud

7.6 Given the desperate shortage of affordable homes, demand for social housing continues to grow. It is an asset to the public and often a lifeline to the people it's meant for. Detecting and stopping social housing fraud can help alleviate some of the strain on the Council's housing resources.

7.7 CAFS provides an investigative service to all aspects of housing, including requests for the succession or assignment of tenancies, allegations of subletting or other forms of tenancy breaches, and right-to-buy applications.

7.8 Between 1 April 2023 to 31 March 2024, CAFS successfully recovered 18 properties which were being misused. These have now been allocated or made available to those in genuine need of housing support within the community.

7.9 Full details of the successful investigation activity regarding social housing are detailed below:

P/Code	Size (bedrooms)	Reason for recovery	Outcome	Notional value
SW6	1	Abandonment	Keys returned	£13,115.00
SW6	3	Abandonment	Court Possession	£27,648.00
W12	2	Abandonment	Keys returned	£21,272.00
W12	1	Subletting	Keys returned	£13,115.00

W6	1	Abandonment	Keys returned	£13,115.00
W6	2	Abandonment	Court Possession	£20,172.00
W12	1	Abandonment	Keys returned	£13,115.00
W14	1	Abandonment	Keys returned	£13,115.00
W14	4	Subletting	Keys returned	£36,224.00
W12	2	False succession	Court Possession	£20,172.00
W12	4	False succession	Court Possession	£35,124.00
W11	1	Abandonment	Court Possession	£13,115.00
W6	3	Abandonment	Keys returned	£28,748.00
W6	2	Abandonment	Keys returned	£21,272.00
W6	1	Abandonment	Keys returned	£13,115.00
SW6	1	Abandonment	Keys returned	£13,115.00
W12	1	False succession	Keys returned	£13,115.00
SW6	2	False succession	Successful Prosecution	£20,000.00

7.10 In addition to the 18 successfully recovered properties, there are an additional six cases where possession has been awarded, but we are awaiting eviction. There are also 16 more cases due to be heard in court.

7.11 The table below highlights the pending cases of tenancy fraud where there is a realistic prospect of property recovery.

Pending eviction	6
Tenancy fraud cases pending court hearing	16
NTQ / NOSP served	1
Legal Advice Pending (tenancy)	4
	27

Right to Buy

7.12 CAFS aids the right-to-buy process as part of its prevention activities, which involve checking and reviewing new applications. To ensure that tenants meet the right-to-buy criteria, CAFS has developed a thorough due diligence process that involves asking a series of questions.

7.13 The checking process helps verify the details of all individuals involved in the right-to-buy transaction, including those responsible for financing the purchase. Additionally, CAFS conducts visits to verify the information provided and to assess the composition of households.

7.14 The right-to-buy checks conducted by CAFS maintain the integrity and probity of the scheme. However, since 1 April 2023, this prevention process has led to the cancellation of 22 RTB applications, including recovering a property when the checks identified a potential right-to-buy address being unlawfully sublet.

Postcode	Outcome
SW6	RTB withdrawn
SW6	RTB withdrawn
SW6	RTB withdrawn

W12	RTB withdrawn
W14	RTB withdrawn
SW6	RTB withdrawn
W11	RTB withdrawn
W6	RTB withdrawn
W12	RTB withdrawn
SW6	RTB withdrawn
SW6	RTB withdrawn
W14	RTB withdrawn
SW6	RTB withdrawn
W12	RTB withdrawn
W6	RTB withdrawn
SW6	RTB withdrawn
W12	RTB withdrawn
SW6	RTB withdrawn
W12	RTB withdrawn
SW6	RTB withdrawn
SW6	RTB withdrawn
SW6	RTB withdrawn

iv) PURSUE

8.1 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is, therefore, essential that a robust enforcement response is available to pursue fraudsters and deter others.

8.2 A recent press release regarding a CAFS successful prosecution reiterated the Council's robust enforcement response as well deterring others from committing similar crimes by showing the consequences.

National Fraud Initiative

8.3 A vital component of the anti-fraud and corruption strategy is making better use of information and technology. To this effect, the Council participates in the biennial National Fraud Initiative (NFI), an electronic data-matching exercise coordinated by the Cabinet Office.

8.4 Over 1,200 public and private sector organisations participate in the NFI, including councils, the Police, hospitals, and nearly 100 private companies, all helping to identify potentially fraudulent claims and errors. The latest outcomes for the 2022/2023 NFI matching exercise are detailed below.

Matches	Fraud/Error	Amounts
Student Loans – HB overpayment created	41	£86,514.00
HB to HB at other Councils – HB overpayment created	7	£14,179.00
HB to deceased records	57	£3,614.00
CTRS to HB at other Councils – HB overpayment created	29	£5,838.00
Council Tax SPD removed no longer entitled	249	£167,828.00
Blue Badge Parking Permit to deceased records	65	£42,250.00
	448	**£320,223.00**

CONSULTATION

9.1   The report has been subject to consultation with the Strategic Leadership Team.

EQUALITY IMPLICATIONS

10.1   There are no equality implications arising from this report.

LEGAL IMPLICATIONS

11.1   A range of legislation governs the work of CAFS, including the Police and Criminal Evidence Act, the Criminal Procedures Investigation Act, the Regulation of Investigatory Powers Act, the Fraud Act, the Prevention of Social Housing Fraud Act, the Proceeds of Crime Act, and Data Protect Act.

11.2   There are no significant legal implications arising from this report.

Implications verified by Grant Deg, Assistant Director, Legal Services on 8 November 2023.

FINANCIAL AND RESOURCES IMPLICATIONS

12.1   Resources required to deliver on the Council's Counter-Fraud Strategy are funded from the budget allocated to the Corporate Anti-fraud Service.
There are no additional resource implications arising from this report. Successful investigations and prosecutions can lead to the recovery of Council assets and money required to protect frontline services.

Implications verified by Sukvinder Kalsi, Director of Finance, on 8 November 2023.

RISK MANAGEMENT

13.1   The delivery of the counter-fraud strategy and associated policies contribute to the management of fraud risks faced by the Council, with proactive exercises supporting managers to put effective counter-fraud and corruption controls in place in their systems and processes.

Implications verified by Jules Binney, Risk and Assurance Manager, on 8 November 2023.

List of Appendices:

Exempt Appendix 1 – Counter-fraud notable cases.
Appendix 2 – Anti-Fraud and Corruption Strategy 2024-2027

ANTI-FRAUD AND CORRUPTION STRATEGY 2024-2027

1.   INTRODUCTION

1.1   Fraud is the largest crime type in the UK. By its very nature, fraud is hidden; therefore, detecting and stopping it poses a significant challenge. Additionally, fraud methodologies continue to change and evolve as society and technology change, so the Council needs to be alert and have the right capabilities and structures to combat it.

1.2   The challenge of protecting public money from fraud remains significant, with increased pressures placed on local authorities to support those struggling for economic or health reasons. Fraud against the Council means money intended to support and enhance communities, primarily funded by the taxpayer, ends up in the pockets of those not legitimately entitled to it. This means less money is available to spend on Council services or support.

1.3   The Council recognises that every pound lost to fraud is a pound that cannot be utilised for community support. Hence, the prevention of fraud and corruption is a collective responsibility, and the Council is fully dedicated to fulfilling its obligations. The Council is determined to safeguard public funds by fostering a strong ethical culture and implementing effective measures against fraud. This document outlines the Council's Strategy for combating fraud and corruption, serving to uphold this commitment.

2.   FRAUD AND CORRUPTION

2.1   The Fraud Act 2006 details the legal definitions of fraud and is used for the criminal prosecution of fraud offences. The Council also deals with fraud in noncriminal disciplinary matters.

2.2   For this document, fraud is defined as the dishonest action designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Borough or the wider national community. This includes offences such as deception, forgery, theft, misappropriation, collusion, and misrepresentation. Although used in this context, it is not intended to limit the Council's full use of the Fraud Act 2006.

2.3   In the context of local authorities, fraud manifests itself in many different guises. Some examples include housing and tenancy fraud, council tax, business rates, blue badge, social care fraud, internal fraud, bribery, and corruption.

2.4   Corruption refers to obtaining private gains from public office through the offering or acceptance of inducements designed to influence official action or decision-making. These temptations can take many forms, including cash, holidays, event tickets, meals, and other hospitality.

2.5   The Bribery Act 2010 allows individuals to be convicted where they are deemed to have given consent or tacit approval to giving or receiving a bribe. The Council has a separate **Anti-Bribery Policy**, which addresses bribery and the provisions of the Bribery Act in detail, including advice for staff on escalating concerns.

3.   THE STRATEGY

3.1   The Anti-Fraud and Corruption Strategy forms part of the Council's counter-fraud framework, a collection of interrelated policies and procedures, including the Code of Conduct, Financial Regulations, Whistleblowing Policy, and Disciplinary Policy. It also includes policies and procedures targeted explicitly at countering fraud and corruption.

3.2   The Strategy provides management with a tool to ensure progress and transparency concerning counter-fraud activities. It is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds.

3.3   In developing this Strategy, the Council has adopted the guiding principles included in "*Fighting Fraud and Corruption Locally 2020*", the local government's counter-fraud and corruption strategy, and the CIPFA Code of Practice on "Managing the Risk of Fraud and Corruption".

4.   STRATEGIC OBJECTIVES

4.1   Our strategy aims to build on the momentum gained from the previous approach, which focused upon five strategic pillars, where the Council concentrated its counter-fraud efforts. These pillars have been streamlined to reflect changes to our activity, which will be increasingly proactive, collaborative, and agile to anticipate changing environments. They are now GOVERN; UNDERSTAND; PREVENT; RESPOND.

GOVERN	UNDERSTAND	PREVENT	RESPOND
Leadership ensures the risks of fraud and corruption are managed effectively across all parts of the organisation.	The Council understands how fraud, bribery and corruption impact the organisation.	The Council is equipped to take action to prevent and detect fraud.	The Council has the capability to respond to fraud.

4.2   The table below highlights some of the activity that will drive and support the strategic objectives.

GOVERN	UNDERSTAND	PREVENT	RESPOND
• The Council's leadership will take responsibility for ensuring anti-fraud, bribery and corruption measures are embedded throughout the organisation.	• Identify and assess fraud risks, including new and emerging threats.	• Develop a fraud prevention and deterrence programme across the Council.	• Maintain a specialist resource to investigate suspected or detected fraud, corruption, and theft.
• The risks associated with fraud will be communicated to those charged with Governance.	• Continually review and maintain a Fraud Risk Register, which identifies, records, and assesses fraud risks across the Council and evaluates the mitigating controls.	• Introduce innovative data and proactive analysis approaches to identify and implement fraud prevention opportunities.	• Ensure that the resources dedicated to combatting fraud are sufficient and those involved are skilled and configured to maximise the impact of investigations.
• The Council will establish and communicate a framework of procedures and policies that demonstrate a commitment to integrity and ethical values and combine to act as an effective fraud deterrent.	• Undertake a loss measurement exercise to determine the financial impact of fraud and inform risk assessments.	• Examine and assess fraud prevention controls in process across the Council, considering a wide range of possible fraud schemes and risk exposure and recommending improvements where necessary.	• Enable the Council to apply appropriate sanctions, including criminal and civil proceedings, and the recovery of losses, where applicable.
• The authority will perform evaluations periodically to provide unbiased assessments on the effectiveness of the investigation process and the anti-fraud and corruption Strategy.	• Develop effective horizon scanning to assist in identifying new risks or trends early.	• Use data analytics techniques to test controls and obtain assurances as to their effectiveness.	• Through positive action and enforcement, we will provide the public with assurances and overturn any negative perceptions of public sector fraud.
	• Improve the awareness of fraud, including how it occurs and its impact on the Council, the community, and among our staff.	• Proactively promote and further enhance the Council's counter-fraud culture, heightening fraud awareness and understanding throughout the organisation and amongst the community.	• Continue using technology to tackle fraud, building new and enhancing existing capabilities.
	• Develop and share good practices and lessons learned from all aspects of counter-fraud activity.	• Nurture an environment that enables the reporting of any genuine suspicions of fraudulent activity.	• Work with the police, enforcement agencies and communities to strengthen and continuously improve the Council's resilience to fraud and corruption.
	• Raise awareness through a series of campaigns and the publication of fraud successes in local and national media, including using all forms of social media.	• Monitor and review systems where self-declarations are required to support the Council's transparency to ensure compliance and integrity.	• Protect public sector funds through reductions in vulnerability to fraud and a reduction in fraud losses.

5. MEASURING SUCCESS

5.1 The objectives in this strategy aim to build on the solid foundations we have created from the previous strategy, evolve, and rise to the new challenges that we face. Our successes by 2027 will include the following.

GOVERN	UNDERSTAND	PREVENT	RESPOND
• An enhanced counter-fraud culture bolstered by the actions and transparency of leaders.	• The Council has seen an increase in awareness regarding fraud, with more individuals actively involved in combating fraud and a greater appreciation for the importance of counter-fraud efforts.	• Lessons learned from counter-fraud activity contribute to a fraud prevention programme targeting control weaknesses and process vulnerabilities.	• Counter-fraud activity will yield measurable financial benefits, evidenced by a return on investment.
• The Council has robust arrangements and executive support to ensure counter-fraud measures are embedded throughout the organisation.	• A comprehensive fraud risk register is maintained and informed by a directory of fraud risks reviews and evaluations.	• A suite of counter-fraud training, guides and toolkits are accessible to staff throughout the organisation.	• Work collaboratively with partners to reduce fraud loss in public funds.
• The Council has a well-publicised collection of policies and procedures aimed at combating fraud.	• Proactive measures are taken to identify and address emerging risk through effective horizon scanning and fraud risk assessments.	• The utilisation of data and technology will enhance our ability to work more efficiently and explore new avenues for preventing and detecting fraud.	• The counter-fraud specialists possess the necessary skills that align with the various counter fraud activities, and they possess the ability and capacity to punish offenders.
	• We have implemented a process to measure and place value on the outcomes achieved by the counter-fraud function in terms of proactive and reactive counter-fraud work.	• Learning from data analytics will assist us locating warning signs in datasets which are indicative of fraud.	• The counter-fraud specialists have the right skills commensurate with the range of counter fraud activity and has the capability and capacity to punish offenders.
	• All investigative activities and their resulting outcomes are recorded, with performance closely monitored and published across a range of channels.	• The deployment of prevention and disruption activities is a standard practice.	• Counter-fraud staff possess knowledge about, and are provided with, opportunities for suitable professional growth and training.

6. MANAGING THE RISK OF FRAUD AND CORRUPTION

6.1 Everyone has a role to play in reducing the risk of fraud. However, Elected Members and Senior Management are ideally positioned to influence the ethical tone of the Council and play a crucial role in fostering a culture of high ethical standards and integrity.

6.2   As with any risk faced by the Council, managers must ensure that fraud risk is adequately considered within their service areas and in support of achieving strategic priorities, business plans, projects, objectives, and outcomes. In making this assessment, it is essential to consider the risk of fraud occurring (i.e. proactive) rather than the actual incidence of fraud that has happened in the past (i.e. reactive). Once the fraud risk has been evaluated, management should take appropriate action to mitigate those risks on an ongoing basis, for example, through introducing and operating effective systems of internal control ("first line of defence"). Where of significance, fraud risks should be considered as part of departmental risk management processes and, if necessary, included in departmental risk registers.

6.3   Managers must remember that adequate supervision, scrutiny, and professional scepticism must not be seen as distrust but as sound management practices shaping attitudes and creating an environment that opposes fraudulent activity.

6.4   Through the Council's Corporate Anti-Fraud Service, we will play a proactive role in fraud prevention and a robust reactive response where fraud is detected. Fraud prevention is critical, and fraud awareness and education are vital in mitigating fraud risk at the outset, particularly in high-risk areas and emerging fraud risks.

7.   REPORTING CONCERNS AND ADVICE

7.1   The Council recognises that the primary responsibility for preventing and detecting fraud rests with management. If anyone believes that someone is committing fraud or suspects corrupt practices, these concerns should be raised directly with line management or their superior in the first instance. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved.

7.2   If that person feels management is involved or condoning the activity, you should approach either the Director of Human Resources or the Director of Audit, Fraud, Risk and Insurance. If the allegation relates to an elected member, then the Council's Monitoring Officer must be notified.

7.3   Notifications will be treated with the utmost confidentiality. Any person who is implicated in the alleged offence must not be included in the notification procedure. Employees who wish to raise a serious concern should refer to the detailed **Whistleblowing Policy**.

7.4   Additionally, a concern can be raised by calling our confidential external whistleblowing hotline, Safecall, on 0800 915 1571 or by completing and submitting an online form via the Safecall website: www.safecall.co.uk.

7.5   When managers are made aware of suspected fraud by employees, they are also responsible for passing on those concerns expediently to the Director of Human Resources or the Director of Audit, Fraud, Risk and Insurance.

7.6   Where required, the Corporate Anti-Fraud Service, in conjunction with other services such as Human Resources, Legal Services, IT Services, will give advice and support to managers involved in fraud investigation, including evidence gathering, documentation and retention, disciplinary proceedings and, where relevant, referral to the Police or appropriate law enforcement agency.

7.7   The Council's approach to suspected fraud can be demonstrated in its **Fraud Response Plan**.

8.   INVESTIGATIONS

8.1   To avoid potentially contaminating the evidence, managers should not investigate concerns themselves without seeking relevant authority. Instead, they should immediately report all suspicions of fraud or corruption, as detailed above, following the Fraud Response Plan.

8.2   Managers must seek advice from key professional services, e.g. Human Resources, Legal Services, Corporate Anti-Fraud Service, Internal Audit, and if relevant, ICT or the Housing Investigation Team, before undertaking investigations.