

Annex B

CCC Counter Fraud Performance April 2020 to August 2020

Background

The Counter Fraud Service is part of Internal Audit and is responsible for dealing with referrals received both from the general public and Council officers, including those raised under the whistle blowing policy.

This service operates within set standards and procedures to ensure confidentiality and enable all evidence and actions to be recorded to the levels accepted for criminal procedures.

Referrals and risk assessments

Due to the volume of referrals and the wide range of issues raised, risk assessments are conducted in order to prioritise resource or transfer these to other appropriate bodies such as the Department for Work and Pensions (DWP). Some referrals are rejected if there is insufficient basis or evidence held to enable further action but are recorded on the Council's case management system. As such, should further information subsequently be received from another source, for example, this intelligence will be available. When a referral is received and assessed as requiring investigation, actions will be undertaken to establish any error or fraud including establish the facts and evidence available and seeking a suitable resolution.

Between 1st April 2020 and 28 August 2020, 8 matters have been investigated and closed by Internal Audit's Counter Fraud Service.

The 8 referrals subject to enquiry and investigation are detailed within Table 1.

Table 1: CCC closed investigations between 1st April 2020 and 28th August 2020

Case type	Total number of cases closed	Outcomes	Value
Internal (corporate) issues	2	Advice was given on all referrals and recommendations made to improve the control environment as appropriate. <ul style="list-style-type: none">1 email query or phishing issue – genuine, No issue.Payroll and contractor NFI match investigated to confirm no overlap of duty or overpayment incurred. Closed no issue.	No financial outcome recorded
Schools	2	One matter investigated for cheque alteration £1107 to £4107 and payable to an unknown and unconnected individual to both the council and the supplier. The matter was reported to local police and Action Fraud. The bank acknowledged the fraud and refunded the payment. The second matter was an allegation of school admission fraud. This was investigated and no	Recovered loss £4107.

Case type	Total number of cases closed	Outcomes	Value
		fraud was established and the advice given was to apply the policy as standard.	
Direct Payments	2	Both matters concerned the issues around timesheet submissions and associated payments to carers. <ul style="list-style-type: none"> The first matter was resolved by the service without any action taken by Counter Fraud. The second matter the service user withdrew the allegation causing no further investigation action to be taken that there had been no loss. 	No financial outcomes recorded.
Blue Badge (separate commissioned arrangement)	2	One case was closed following a formal caution being accepted. One matter was set to go back to court as an appeal against the sentence however the appeal was withdrawn by the defendant and the original conviction and sentence stand.	No financial outcomes recorded.

Progress on open cases

There are 4 cases currently under review by Counter Fraud shown in table 2.

Table 2: Open cases under investigation

Case type	Total number of open investigations / detail
Direct Payments (1 live case)	Work is ongoing to assist the service in reconciling direct payment receipts over 3 years where it is believed the money has not been spent appropriately for the needs of the service user by the parent.
Schools staff (1 live case)	One Whistle Blowing matter was received and passed on to HR colleagues as the appropriate response to address suspected behavioural issues. No financial loss suspected.
Blue Badge misuse (2 live cases)	There are 2 cases awaiting court dates, delayed due to c19 court closure.

Monetary values and outcomes to date

Internal Audit's Counter Fraud Service record investigation outcomes and, where possible, record monetary values identified through fraud or error by way of recoverable overpayments or savings.

National Fraud Initiative 2020/21

Internal Audit and the Counter Fraud have assisted with highlighting the increased exposure to fraud associated with the C19 situation which has been actively targeting councils grant application schemes and other cyber fraud.

The 2020/21 National Fraud Initiative is due to start in September for extraction of data sets across a variety of service areas matched nationally with other agencies such as Her Majesty's Revenue and Customs (HMRC) to prevent and detect fraud and error.