

9 July 2020		ITEM: 9
Standards & Audit Committee		
Counter Fraud & Investigation Annual Report & Strategy		
Wards and communities affected: All	Key Decision: N/A	
Report of: David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement		
Accountable Assistant Director: David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement		
Accountable Director: Julie Rogers, Director of Environment, Highways and Counter Fraud		
This report is Public		

Executive Summary

The Counter Fraud & Investigation team is responsible for the prevention, detection and deterrence of all instances of alleged fraud and economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

The work of the service is predicated on the overall strategy of the council which is approved following consultation with the council's services and intelligence from partners in government and policing.

Over the last year the team has detected £3.5m of fraud, recovering £205,334 in cases prosecuted or through civil recovery regimes led by the service. This performance of the team has demonstrated for every £1 spent on the service by the council it detected £3 in fraud.

This report outlines the performance of the team over the last year as well as proposes the new Counter Fraud strategy to tackle fraud for the council in 2020/21.

1. Recommendation(s)

1.1 The Committee notes the performance of the Counter Fraud & Investigation team over the last year.

1.2 The Committee approves the Counter Fraud & Investigation strategy and work programme for 2020/21.

2. Introduction & Background

- 2.1 The council's Counter Fraud team is responsible for delivering the corporate counter fraud programme which includes proactive activity to enhance the council's controls as well as respond to intelligence from that proactive work and information from other sources.
- 2.2 The team was reorganised in early 2015 where enhanced measures and capabilities to prevent, detect and deter attacks from criminality were installed. During the six years CFI have utilised the new ways of working, the team has detected over £33.5m in fraud and economic crime and supported over 60 local authorities that have been affected by fraud and economic crime.
- 2.3 In 2019, that outward-facing function that supports the wider local government sector was named the 'National Investigation Service' known as 'NATIS.' this ring-fenced part of the council works hand-in-hand with the government and police regional organised crime units to tackle serious & organised economic crime including cyber-crime. This has been recognised not only locally but nationally, via local government and central government departments.

3. Performance

- 3.1 CFI met all of the objectives set in the 2019/20 proactive work plan where:
 - 349 reports of suspected fraud have been received
 - 106 of those cases have been closed as 'no fraud'
 - 80 sanctions have been delivered in cases of proven fraud
 - Received £211,562 in to the authority through traded services
- 3.2 The detailed annual report shown in **Appendix 1** provides the background to these figures as well as the overall programme of work delivered by the service in the last year.

4. Work Plan for 2020/21

- 4.1 CFI has a programme of proactive work proposed to ensure the council's posture against fraud is robust and effective. **Appendix 2** sets out the proposed proactive work programme this year.
- 4.2 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFI and the Section 151 Officer, these will be brought back to the Committee for approval.

5. National Counter Fraud

- 5.1 CFI is an Executive Board member of NAFN.gov Data & Intelligence Service, is similar to Thurrock's NATIS (National Investigation Service) in that it supports local government to protect it from fraud and economic crime. CFI

developed a national paper to enhance the work of NAFN to increase its leadership role for the sector. CFI's strategy sought to increase the recognition and professionalisation by councils in the areas of Digital Forensics, Cyber-Crime, Criminal Finances and Fraud Awareness.

- 5.2 The NATIS function in the Counter Fraud team works on behalf of central and local government bodies to investigate the most serious fraud offences, in partnership with the Crown Prosecution Service and Cabinet Office. That work continues and provides financial and resource resilience to the service in protecting Thurrock Council.

6. Reasons for Recommendation

- 6.1 This report provides a detailed update to the Committee on the improved counter-fraud measures for the Council and how it is reducing fraud under the council's counter-fraud strategy.

7. Consultation (including Overview and Scrutiny, if applicable)

- 7.1 All Directors and Heads of Service were consulted with the new strategy to be taken by the Council in its anti-fraud approach.

8. Impact on corporate policies, priorities, performance and community impact

- 8.1 Work undertaken to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting corporate governance.

9. Implications

9.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director, Corporate Finance

This report shows the financial implications within **Appendix 1**.

9.2 Legal

Implications verified by: **Deirdre Collins**
Barrister, Law & Governance

The work completed by CFI assists the council with its legal obligations as noted below:

The Accounts and Audit (England) Regulations 2015 section 4 (2) require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a

sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk.

9.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
Community Engagement and Project
Monitoring Officer, Adults, Housing & Health

There are no diversity or equality issues within this report.

9.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None.

10. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None.

11. **Appendices to the report**

Appendix 1 – CFI Annual Report 2019/20
Appendix 2 – CFI Annual Strategy & Work Programme for 2020/21

Report Author:

Michael Dineen
Senior Manager
Counter Fraud & Investigation