



**WEST OXFORDSHIRE
DISTRICT COUNCIL**

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Name and date of Committee	Audit and General Purposes Committee: Thursday 23 September 2021
Report Number	Agenda Item No. 7
Subject	Counter Fraud Unit Report
Wards affected	All indirectly
Accountable member	Councillor Suzi Coul, Cabinet Member for Finance Email: Suzi.Coul@westoxon.gov.uk
Accountable officer	Emma Cathcart, Counter Fraud Unit Manager Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	<p>To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided biannually.</p> <p>Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.</p>
Annexes	Annex A – Work Plan 2021/2022
Recommendation	That the Committee notes the report and work plan at Annex A.
Corporate priorities	<p>In administering its responsibilities the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or a Councillor.</p> <p>The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate priorities and community plans.</p>
Key Decision	No
Exempt	No
Consultees/ Consultation	<p>Work plans are agreed and reviewed regularly with the Deputy Chief Executive.</p> <p>Any Policies drafted or revised by the CFU have been reviewed by Legal Services and have been issued to the Governance Group and Corporate Management for comment.</p>

1. BACKGROUND

- 1.1. The Audit and General Purposes Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2. Work plans have been agreed with the Deputy Chief Executive and the Council's Management. The Audit and General Purposes Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.3. Attached at Annex A is a copy of the work plan for 2021/2022.

2. MAIN POINTS

2.1. Counter Fraud Unit Update.

- 2.2. The Counter Fraud Unit (CFU) has been supporting work streams created as a consequence of the Covid-19 pandemic by providing advice relating to fraud risk and abuse, most significantly in relation to the Business Grant Schemes. The CFU has assisted with the application and verification processes of all schemes and, to date, the team has received 274 cases to review. A number of these cases were confirmed as eligible and the grant awarded but the following relates to cases of fraud, error or ineligibility:

- 37 cases of loss prevention, in that the grant monies were not paid (13 classed as fraudulent attempts). Figures relating to this preventative activity total £50,000.
- 28 cases of post payment recovery totalling £280,366. Invoices have been raised and £138,574 has been recovered to date. Examples of these cases relate to payments made to businesses that were not trading at the appropriate date, where premises were in fact empty or where duplicate payments / incorrect awards have been made.
- 13 cases are still under review or have been referred back to the team with recommendations for service area decisions.
- 2 cases have been opened as active fraud investigations.

- 2.3. All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation. Matches have been received via the Cabinet Office's National Fraud Initiative which has collated and compared business grant data nationwide in relation to the original schemes paid during the first lockdown. Work to review these matches is underway.

- 2.4. A review of the Track and Trace Payments is underway and as a result a grant of £500 has been recovered.

- 2.5. In addition to the work carried under the annual work plan attached at Annex A, as a dedicated investigatory support service, the CFU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work.

- 2.6. Since 1 April 2021:

- The team has received 18 referrals from across the Council and closed 13 cases. This excludes any Council Tax Reduction Scheme referrals.
- The team supports Enforcement Teams across the Council. A Fixed Penalty Notice, totalling £200, has been issued in relation to environmental crime.

- The CFU undertakes Member Code of Conduct Investigations and found that there had been a breach relating to a Town Council matter.
- The CFU is now overseeing the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and act as the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. 16 referrals were received and 9 cases were closed. Increased Council Tax revenue of £3,248 has been raised.
- The team undertakes disciplinary investigations for Publica across the partnership. 2 cases have been referred.

3. FINANCIAL IMPLICATIONS

- 3.1. The report details financial savings generated by the Counter Fraud Unit.

4. LEGAL IMPLICATIONS

- 4.1. In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

5. RISK ASSESSMENT

- 5.1. The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud Unit provides assurance in this area.
- 5.2. Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.
- 5.3. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

6. EQUALITIES IMPACT

- 6.1. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

7. ALTERNATIVE OPTIONS

- 7.1. This Unit is working with all Gloucestershire Local Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations.
- 7.2. The Service is a shared one across the County and, as such, overheads and management costs are also shared equally meaning there is increased value for money.

8. BACKGROUND PAPERS

- 8.1. None.

Annex A: West Oxfordshire District Council Work Plan 2020/2021

Department / Contact	Task
Governance	Delivery of two reports for Audit & General Purposes Committee
Governance	Fighting Fraud & Corruption Locally - Checklist Compliance
Governance	Government Functional Standard 013: Counter Fraud - Compliance
Policy	Counter Fraud and Anti-Corruption Policy
Policy	Corporate Enforcement Policy
Policy	Council Tax, Council Tax Reduction Scheme & Housing Benefit Penalty and Prosecution Policy
Policy	Proceeds of Crime & Anti-Money Laundering Policy
Policy	Whistle-Blowing Policy
Policy	Regulation of Investigatory Powers Act 2000 (Surveillance & Covert Human Intelligence Sources)
Policy	Investigatory Powers Act 2016 (Acquisition of Communications Data)
Policy	Use of the Internet and Social Media in Investigations and Enforcement
Bribery and Corruption	Assessment Template Review
Bribery and Corruption	Policy and Procedure: Staff Declarations of Interest / Conflicts of Interest
Bribery and Corruption	Review of the Gifts and Hospitality Policy and Procedure
Serious and Organised Crime	Checklist Review
Serious and Organised Crime	Proactive Fraud Drive - transient / cash businesses
Statutory / Regulatory	Collation and Publication of Fraud Transparency Data
Statutory / Regulatory	RIPA / IPA - Annual Report to Members / Advisory / Inspection Single Point of Contact
Strategy : Detection	Housing Waiting List review
Strategy : Detection	National Fraud Initiative Match Reviews - Revenues / Benefits / Housing

Department / Contact	Task
Strategy : Detection	Holiday / Airbnb Review
Strategy : Detection	SMI Review (sample 20)
Strategy : Detection	Procurement - Supplier Payment Review
Strategy : Detection	Charity Shop Exemption Review
Strategy : Detection	Track and Trace - Assurance and Enforcement Activities
Strategy : Detection	Business Grants - Assurance and Enforcement Activities
Strategy : Prevention	Development / Review of Fraud Response Plan
Strategy : Prevention	Development of Fraud Awareness Literature (staff)
Strategy : Prevention	Development of Right to Buy Debt Recovery Process
Strategy : Prevention	Development of Service Specific Fraud Risk Register
Strategy : Prevention	Training Members / Staff - Fraud Awareness / RIPA & IPA / CPIA, PACE, Disclosure Training
Strategy : Prevention	Review of HR Recruitment and Vetting Policy and Procedures

RIPA = Regulation of Investigatory Powers Act 2000

IPA = Investigatory Powers Act 2016

CPIA = Criminal Procedure and Investigations Act 1996

PACE = Police and Criminal Evidence Act 1984