

# Counter Fraud Strategy

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## 1.0 Introduction

- 1.1 As with other organisations the Council is at risk of losses through fraud, bribery and corruption. The Council recognises that as well as causing financial loss such activities are also detrimental to the provision of services and damaging to the reputation of and confidence in the Council. To safeguard itself the Council is committed to making sure that the opportunity for fraud, bribery and corruption is reduced to the lowest possible risk within existing resources.
- 1.2 To help organisations recognise and address their fraud risks, the Chartered Institute of Public Finance & Accountancy (CIPFA) produced a Code of Practice on Managing the Risk of Fraud and Corruption. The Code consists of the following five principles:
- Acknowledge the responsibility of the governing body for countering fraud and corruption.
  - Identify the fraud and corruption risks.
  - Develop an appropriate counter fraud and corruption strategy.
  - Provide resources to implement the strategy.
  - Take action in response to fraud and corruption.
- 1.3 Following the Council's comprehensive review of its fraud policies and the reassessment of specialist corporate fraud resources, an exercise has been undertaken to identify the fraud and corruption risk to the Council assessing the residual risk and identifying risk owners. The next stage in the process is this strategy and the associated proactive and responsive plan of action.
- 1.4 This strategy outlines the Council's commitment and approach to tackling fraud, bribery and corruption and applies to all those who work for, or interact with the Council including employees, Members, contractors, suppliers and service users. Fraud against the Council is not acceptable in any form and the Council will seek full redress through criminal and/or civil courts to counter any internal or external fraudulent activities perpetrated against it.

## 2.0 Aims & objectives

The general aims and objectives of this strategy are to:

1. Create and promote a robust "anti-fraud" culture across the organisation, highlighting the Council's zero tolerance of fraud, bribery and corruption, which is also acknowledged by others outside the Council.
2. Encourage individuals to promptly report suspicions of fraudulent or corrupt behaviour and provide them with effective means for doing so.
3. Protect the Council's valuable resources and minimise the likelihood and extent of losses through fraud and corruption.

4. Enable the Council to apply appropriate sanctions and recover all losses.
5. Direct the Council's counter fraud resources on the key areas of fraud risk and ensure that the resources dedicated to combatting fraud are sufficient and those involved are appropriately skilled.
6. Work with partners and other investigative bodies to strengthen and continuously improve the Council's resilience to fraud and corruption.

2.1 This strategy contributes towards the achievement of the Council's vision to 'Make Waverley a Better Place to Live and Work' and in particular the corporate objective "Value for Money" by increasing the Council's resilience against fraud, bribery and corruption, thereby minimising the extent of losses and maximising the financial resources available to achieve positive outcomes for the community. It is reflective of the fraud policies and procedures of the Council as well as other strategies, policies and procedures that may be relevant (recruitment, procurement etc.).

### **3.0 Responsibility**

- 3.1 The Section 151 Officer has overall responsibility for the maintenance and operation of the overarching Anti-Fraud, Bribery & Corruption Policy in liaison with the Corporate Management Team supported by the Internal Audit Client Manager and the HR Manager to ensure that it continues to remain compliant and meet the requirements of the Council. From a statutory perspective the ultimate duty to prevent and detect fraud and corruption lies with the Chief Financial Officer, a duty is set out in Section 151 of the Local Government Act 1972. The Internal Audit Service, under the management of the Section 151 Officer, is charged with delivering the strategy and the work programme.
- 3.2 All Managers are responsible for fraud risk management in their particular service area with support from the Corporate Management Team as a collective in providing resources appropriate to the risks and by reporting on the management of the risk to Members. Management should embed strong counter fraud controls and systems; support counter fraud and corruption activities and training; and ensure other governance papers, strategies and policies include fraud and corruption risks wherever relevant.
- 3.3 The Audit Committee monitors the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the authority's exposure to the risk of fraud and corruption.

### **4.0 Loss and harm caused by counter fraud**

- 4.1 Losses from fraud are evident in a range of public and private sector services such as education, healthcare, government, insurance and agriculture. The annual financial cost of fraud in the UK is estimated at £52 billion, which is broken down as follows:

Private Sector £21.2 billion  
 Public Sector £20.6 billion  
 Individuals £9.1 billion  
 Not-for-profit sector (charities) £147 million

- 4.2 Within these figures it is estimated that fraud against local government accounts for £2.1 billion of public sector fraud (excluding benefit fraud). Housing Benefit and Council Tax Reduction (formerly known as Council Tax Benefit) continue to contribute towards the highest losses of detected fraud with £129 million identified in 2013/14. However the focus of local government investigative resource is changing. Now that Housing Benefit investigations for this Council has now transferred to the Single Fraud Investigation Service (SFIS), run by the Department for Work & Pensions (DWP), greater emphasis is being placed on the detection and investigation of non-benefit frauds within local authorities. In 2013/14 the financial cost of these non-benefit fraud losses was £59 million (excluding tenancy fraud).
- 4.3 The estimated annual loss of fraud against local government provided by the National Fraud Authority (NFA) before it was abolished is further broken down in the table below 2. Although these figures exclude one of the main areas of income generation (business rates) they are useful for contextual purposes nonetheless.

Category	Annual (£million)	loss	Fraud level (%)
Procurement	876		1% of spend
Housing tenancy	845		4% of London housing stock, 2% non-London stock, multiplied by £18,000
Housing benefit	350		0.7% (in 2013). Subsequently updated by DWP.
Payroll	154		Not disclosed by NFA.
Council tax discount	133		4% on discounts and reliefs claimed
Blue badges	46		20% of badges misused
Grants	35		1% of spend
Pensions	7.1		NFA – based on NFI detection levels.

- 4.4 The table above excludes social harm caused by fraud. Although fraud against local authorities is commonly perceived as a victimless crime, it can have a substantial impact on residents, businesses and vulnerable individuals within the local area. Losses attributable to fraud reduce the financial capacity to provide services and may have a dramatic impact on the wellbeing of residents within the community. For example, the local family in temporary

accommodation who cannot be allocated a council home because of fraudsters' illegally sub-letting council homes for profit. This has been shown to have a long term detrimental effect on health, education and socio-economic opportunities for the families concerned. Fraud also diminishes public trust in local authorities.

- 4.5 It is strongly believed that the above measure of the scale of loss represents a significant underestimate of the true loss incurred annually by councils to fraud.

## **5.0 Heightened threat of fraud**

- 5.1 There are three conditions that are commonly found when fraud occurs –

Opportunity,

Incentives or pressure

and rationalisation

- 5.2 The perpetrators experience some incentive or pressure to engage in misconduct. There must be an opportunity to commit fraud and the perpetrators are often able to rationalise or justify their actions.

- 5.3 The current economic climate in the United Kingdom and the Government policy of significantly reduced public spending have the potential to increase the risk of fraud as never seen before in the public sector, due to:

- Increased incentives or pressures, primarily as a result of employees' fear of losing their jobs.
- More opportunities to commit fraud as internal controls are weakened or in some cases removed.
- People's ability to rationalise.

- 5.4 Following cuts in funding and identified savings in budgets it is essential the Council continues to maintain strong defences against fraud and irregularity, directing its resources most effectively to mitigate the risk of fraud. This will involve working closely with partners, contractors and volunteers to overcome any barriers to effective fraud fighting and making the best use of available information and intelligence.

## **6.0 Current and emerging fraud risks**

- 6.1 Despite the transfer of housing benefit fraud to SFIS it is still likely that the related aspect of Council Tax support and discounts will continue to be the key fraud risk facing the Council particularly in terms of caseload. Nationally a third of households claim single person discount on Council Tax, although this

varies significantly between individual councils. In addition to our participation in the National Fraud Initiative (periodical data matching exercises between various datasets) we have adopted a strategy of undertaking additional exercises ourselves or in collaboration with others. An exercise is currently being explored by the Surrey Counter Fraud Partnership, in partnership with other local authorities, to review Single Person Discount (SPD) across Surrey. Non-benefit type fraud is categorised in the table below.

### Main 'Other' frauds (value based) against councils in 2013/14 and 2014/15

Fraud type	Number of cases 2014/15	Value 2014/15	Number of cases 2013/14	Value 2013/14	Changes in case number 2013/14 to 2014/15	Change in case value 2013/14 to 2014/15
Right to Buy*	411	£30,247,573	193	£12,361,858	113.0	144.7
Abuse of position*	221	£9,747,682	341	£4,020,580	-35.2	142.4
Insurance*	473	£9,172,614	226	£4,776,300	109.3	92.0
No Recourse to Public Funds*	444	£7,115,446	N/A	N/A	N/A	N/A
Social Care	291	£4,286,767	438	£6,261,930	-33.6	-31.5
Debt fraud*	1,083	£2,890,638	1,061	£1,789,365	2.1	61.5
Economic and third sector support*	102	£2,392,773	36	£741,867	183.3	222.5
Procurement *	86	£2,349,352	127	£4,437,965	-32.3	47.1
Disabled parking concessions (Blue Badge)	4,371	£2,185,500	4,055	£2,027,500	7.8	7.8
Business rates*	171	£1,089,780	84	£1,220,802	103.6	-10.3
Payroll (incl. recruitment)*	Not provided		432	£1,400,000	N/A	N/A
Sources: The former Audit Commission's "Protecting the Public Purse" PPP2014 (13/14 figures) and The European Institute for Combatting Corruption and Fraud (TEICCAF) (14/15 figures) Those of relevance to this authority either directly or indirectly from the services provided.						

6.2 Each fraud type referred to in this section of the strategy has been appended with an indicative fraud risk (**High** / **Medium** / **Low**) in terms of their relevance

to this authority, the effect of financial or social harm and the scope for further work.

- 6.3 Interpreting these results can be problematic, as annual percentage changes in results can be affected by a few costly frauds in either year. **Procurement fraud (High)** is an example of this; detected cases decreased by 32.3 per cent, but detected value increased by 47.1 per cent. Audit work on assessing the key procurement risks and controls, including procurement fraud, is planned for 2015/16 and 2016/17.
- 6.4 **Economic and third sector fraud (Medium)** involves the false payment of grants, loans or other financial support to any private individual or company, charity, or non-governmental organisation including, but not limited to: grants paid to landlords for property regeneration; donations to local sports clubs; and loans or grants made to a charity. Cases have increased by 183 per cent, with values increasing by over 220 per cent.
- 6.5 **Business rates fraud (High)** cases have more than doubled, although the total value detected has dropped slightly. Fluctuations in value are to be expected, given some individual business rate frauds have been worth over £1 million. In part, the increase in cases may have resulted from greater national attention given to this risk in recent years. TEICCAF is due to work more closely with the Institute of Revenues, Rating and Valuations to better understand this type of fraud.
- 6.6 **Insurance fraud (Low)** continues to rise with the value and number of cases nearly doubling. TEICCAF suggested that this is probably as a result of greater attention given to such fraud in recent years by local authorities, rather than an increase in the amount of insurance fraud being committed. From the Council's perspective the number and value of claims is low and are being effectively managed in collaboration with our insurers Zurich.
- 6.7 **Recruitment (Medium)** - Following an investigation in 2014/15 this area has been identified as an organisational learning point and highlighted for review. Work led by the Governance & HR Service is planned to take place during 2015/16. This work will be supported by the Internal Audit Service.
- 6.8 **Debt fraud (Medium)** - the avoidance of debt to the authority including but not limited to Council Tax liabilities (not support or discounts), rent arrears, false declarations, and false instruments of payment or documentation. Nationally the value of debt fraud detected within local authorities continues to rise significantly.
- 6.9 **Social Housing (High)** the Council has social housing including those who have applied for affordable housing and nominates applicants to all Registered Providers working within the District. It also has a financial interest in ex-Council houses sold under the Right to Buy scheme. **Housing tenancy fraud (Medium)** is defined as:



- Subletting a property for profit to people not allowed to live there under the conditions of the tenancy;
- Providing false information in the housing application to gain a tenancy;
- Wrongful tenancy assignment and succession where the property is no longer occupied by the original tenant; or
- Failing to use a property as the sole or principal home, abandoning the property, or selling the key to a third party.

6.10 Nationally the number of social homes (council housing stock) recovered from tenancy fraudsters decreased slightly by 1.2 per cent from 13/14 (3,030) to 14/15 (2,993). In 2012, the government relaxed the qualifying rules and raised the discount threshold for **Right to Buy (RTB) (Medium)** in relation to council homes. This encouraged greater opportunity for tenants of current or in our case previously held council housing to own their own home. Right to Buy (RTB) fraud cases have more than doubled in the last year, a trend that has continued since 2012/13.

6.11 In 2015 the Government introduced legislation to support home ownership and give housing association tenants the chance to own their own home through the “Right to Acquire”. It is recognised that housing associations, with few exceptions, do not have the either an equivalent capacity or capability to tackle this area of fraud. Although tackling housing benefit and Council Tax fraud is important, non-benefit frauds such as this does have a far greater direct financial and social harm impact on local people and local taxpayers. TEICCAF strongly recommends councils give consideration to the social harm caused by fraud when determining their overall strategy. This strategy looks to further investigate this type of fraud looking for opportunities of working with other local authorities and housing associations to determine the scale of fraud and deterrent in place to minimise its effect.

6.12 The emergence of **No Recourse to Public Funds (NRPF) (Low)** is being recognised as a major area of fraud risk, mainly detected within London boroughs. This fraud involves persons from abroad who are subject to certain immigration controls which prevent them from gaining access to specific welfare benefits or public housing. Families who have NRPF may still be able to seek assistance, housing and subsistence from their local authority whilst they are awaiting or appealing a Home Office decision on their status. In some instances councils have been deceived into providing welfare and other state assistance where NRPF has been claimed fraudulently, for example by fraudulently claiming family status with children who, on further investigation, may not be their own. NRPF is a locally administered scheme, thus creating the potential for multiple claims at different locations. This fraud risk does not currently appear to be a significant issue to this Council but certainly a matter for keeping a watching brief given its significant rise up the charts.

## 7.0 Approach to counter fraud

7.1 The Council's approach for meeting the aims and objectives of the strategy and addressing fraud, bribery and corruption focuses on three core elements:

**Prevent:** stop fraud, bribery and corruption occurring in the first place

**Detect:** prompt identification of irregularities that require further

**Deter:** publicise the punishments for committing offences and the likelihood of being caught

7.2 Everyone who works for, or with, the Council has a responsibility for ensuring public funds and resources are being used appropriately. The Council promotes a zero tolerance culture where fraud, bribery and corruption are recognised as unacceptable behaviour and whistle-blowing of suspected wrongdoers is actively encouraged.

7.3 Prevention of fraud, bribery and corruption against the Council will focus on:

- The identification and routine evaluation of fraud risks to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Council and its users.
- Developing a counter-fraud culture to increase resilience to fraud.
- Preventing fraud through the implementation of appropriate and robust internal controls and security measures.
- Developing networks, protocols and arrangements to facilitate joint working or partnerships to manage the Council's fraud risks.

8.0 **Fraud risk assessment:** Fraud risk identification can be achieved in a number of ways by:

- Comparing identified risks with other similar organisations.
- Conducting fraud risk workshops within service areas to make best use of the detailed knowledge of the staff operating policies and processes.
- Using internal auditors, external auditors or a specialist consultant to conduct a fraud risk review.
- Using external reference material to identify the frauds experienced by local authorities in England.

8.1 To date the Internal Audit Service has undertaken an initial assessment to identify inherent fraud risks across all of the Council's operations by using the results from Internal Audit's own planning process and by comparing the fraud risks identified at similar authorities. A draft register of fraud risks has been devised which highlights the existing internal controls. This information has been shared with the Council's Service Managers and the Head of Finance responsible for Risk Management.

- 8.2 The intention is to now complete that work by evaluating the likelihood and significance of each inherent fraud risk together with the existing control environment to highlight any residual risks. Once the fraud register is complete consideration can then be given to integrating the fraud risks into the organisation's risk management arrangements, allowing them to be owned in the same way as other risks.
- 8.3 Ongoing assurance will be provided by Internal Audit's planned audit work and fraud activity will be focused on those fraud risks that are of a high priority or where residual risks have been identified. A more detailed fraud risk work plan will be devised during the course of the strategy. This work plan may change over the period of the strategy to focus on new or emerging fraud threats identified as part of information sharing and intelligence.
- 8.4 A review of the Council's counter fraud arrangements against the checklist within the Fighting Fraud Locally - The Local Government Strategy was undertaken in 2016. The results of this review will be reported to the Audit Committee and has been used to inform the strategy and associated work programme.
- 8.5 This strategy has also taken account of the former Audit Commission's "Protecting the Public Purse" reports and the more recent TEICCAF report. We will continue to contribute to external surveys to ensure we benefit from their results.
- 9.0 Maintain a strong anti-fraud culture to increase resilience to fraud:** The Council promotes a zero tolerance culture to fraud, bribery and corruption and actively encourages whistle-blowing. The Council's commitment to good ethical conduct is evident in the comprehensive framework of policies and procedures that deter fraudulent activity such as the Codes of Conduct for Members and Employees, Finance Regulations and Contract Procedural Rules and the specific anti-fraud policies.
- 9.1 A number of frauds can come to light because of suspicions aroused by the behaviour of certain individuals. Although it is impossible to give a definite list of warning signs, certain factors may suggest the possibility of fraud and warrant further investigation. Promotion of these warning signs among managers and staff is the key approach to aid in the detection of fraudulent activity.
- 9.2 The key actions to maintain a strong anti-fraud culture include:
- Fraud awareness induction and refresher training for all new employees and Members.
  - Service specific fraud awareness training.
  - Enhanced fraud awareness communications among management, employees, contractors and suppliers.

- 9.3 **Joint working and networking:** Joint working and networking with other organisations and agencies is becoming more common to reduce the need for or make better use of resources in single organisations and to enhance the understanding and detection of fraud across public sector. Some arrangements are informal such as the participation in peer / specialist groups or the contribution to national fraud surveys from leading bodies and organisations such as CIPFA and TEICCAF.
- 9.4 If it is determined that more formal arrangements are required to support the mutual interests of the Council, as well as that of other organisations and law enforcement agencies, then frameworks or protocols can be put in place. However, in doing so it is essential that relationships are agreed in advance and issues clarified such as responsibilities, obligations, exchange of information, liaison, communications, meetings with key personnel, and media strategies. These agreements need to concentrate on issues that support operational co-operation, such as areas of mutual interest, joint planning and co-ordinated action. They need to be viable and have suitable arrangements in place to deliver work in line with objectives and goals. The use and sharing of resources can be helpful for either general counter fraud activity or to address a specific fraud issue. For example, the Council may wish co-operate with local housing associations to address tenancy fraud.

## 10.0 Detect

- 10.1 Despite the best efforts to prevent fraud occurring in the first place, it is difficult to eradicate it from the system entirely. Therefore, measures need to be in place to ensure inappropriate activity is detected and reported for further investigation. Detection and investigation is a key priority of this strategy which will be bolstered by:
- Ensuring protocols are in place to facilitate data and intelligence sharing and analysis, using techniques such as data matching and data analytics, to validate data and detect control failings to support counter fraud activity.
  - Maintaining and enhancing effective whistleblowing arrangements.
  - Effectively investigating fraud referrals.
  - Utilising an appropriate mix of experienced and skilled staff including access to counter fraud staff with professional accreditation.
- 10.2 **Data matching and information/intelligence sharing:** Data matching can help to validate an organisation's risk identification process by comparing the results with similar organisations. Information/intelligence sharing can help to highlight fraud and corruption threats, including enablers to fraud that the organisation may not have considered or identified. The Council already provides information from relevant databases for the purpose of data matching as part of the National Fraud Initiative (NFI), and mostly receives rather than shares information/ intelligence through its subscription to the National Anti-Fraud Network (NAFN). It is the Council's intention to continue

with the existing arrangements and further explore opportunities for data matching both internally between services and externally with neighbouring authorities, and develop links with other external agencies, such as the National Fraud Intelligence Bureau, Surrey Counter Fraud Partnership to enhance opportunities for information sharing.

**10.3 Effective confidential reporting and whistleblowing arrangements:**

Employees and individuals who work closely with the Council are often the best placed to identify bad practice and wrongdoing. Therefore it is essential that they have the confidence to raise concerns and trust that their concerns will be taken seriously. The Council has in place a Confidential Reporting (Whistleblowing) Policy for employees, agency workers, trainees etc. and an Anti-Fraud, Bribery and Corruption Policy for customers, suppliers, contractors and members of the public, which both outline how to raise concerns and the protection available once those concerns have been raised. To further encourage individuals to report suspicions, this strategy will focus on the following:

- Undertake a review of the whistleblowing arrangements, taking best practice guidance into consideration.
- Internally promote the Confidential Reporting Policy to increase confidence in raising concerns.
- Implementation of a fraud reporting on-line facility “Report IT”.
- Externally promote the Council’s whistleblowing arrangements among the public, key contractors and suppliers.

**10.4 Experienced and skilled staff and access to specialist services:**

It is vital that “counter fraud” and investigatory officers receive thorough training in the technical requirements of their job to continue to prevent vulnerability within the Council’s systems. Robust training will ensure that employees have an in-depth understanding of all relevant policies and procedures and will strengthen the Council from both internal and external attacks on its systems. To achieve this, employees who undertake investigation duties should receive continual professional development and refresher training to ensure they are fully compliant with appropriate laws and legislation, and have the skills required to correctly and thoroughly investigate all suspicions. There may also be occasions during investigations where specialist skills such as computer forensics and financial investigation are required to lawfully detect and obtain evidence. It is essential these skills are readily available at the time of need. Therefore access to a network of suitably trained contractors and specialist suppliers for use in investigations will be developed.

**11.0 Deter**

11.1 The Council recognises the importance of deterring individuals from committing fraud, bribery and corruption by:

- Publicising the Council's anti-fraud and corruption stance and the actions it takes against fraudsters.
- Applying sanctions, including internal disciplinary, regulatory and criminal.
- Seeking redress, including the recovery of assets and money where possible.

This strategy looks to develop and enhance these aspects and will concentrate on the following:

- 11.2 **Effective publicity and communication:** The Council's main deterrent focuses on the basis that any punishment would outweigh any potential rewards and as a result the individual would decide not to commit the crime. Robust and effective communication is therefore essential to ensuring that a clear message is sent to potential fraudsters that all remedies available to the Council will be used. Publicising all that is being done to protect the Council against fraud, bribery and corruption helps to raise awareness and reinforces the Council's zero tolerance culture. This strategy will utilise the many forms of media available to the Council to raise the profile of fraud awareness and publicise action taken against fraudsters.
- 11.3 **Enhance existing policies:** Whilst the Council has in place the expected policy framework which supports the implementation of the strategy there is a need to ensure this remains up to date and accurately reflects the various sanctions and redress available to the Council. Sanctions include disciplinary action in respect of employees, which has recently been reviewed, and the prosecution of offenders. Further work is also required to review and publicise the Council's Prosecution Policy.
- 11.4 in terms of redress the Council will undertake a variety of approaches to effect maximum recovery of losses depending on the exact circumstances. These may include salary deduction; agreement to repay on dismissal; a restitution order as part of any prosecution; or civil lawsuit (where the likely recoveries outweigh the potential costs involved). The use of the Proceeds of Crime Act may be used where appropriate to maximise the penalty and the level of recovery by the Council.

## 12.0 Work programme

- 12.1 The detail of this strategy has been translated into a set of actions that are proportionate to the size and activities of the Council, the risk it faces and the level of resources deployed. Although the strategy covers a three-year period this is the first strategy produced by the Council. Therefore the plan of action has been devised to reflect the current position and early maturity of the counter fraud function.



- 12.2 The Counter Fraud Work Programme to manage the Council's fraud and corruption risks is included at Annex 1 and is structured around the Council's approach for meeting the aims and objectives of the strategy i.e. **prevention** and awareness; **detection** and investigation; and **deterrence**.
- 12.3 Any events adversely affecting the level of resources to deliver the programme will be reported to Corporate Management Team and the Audit Committee at the appropriate time.
- 12.4 The strategy will be regularly reviewed to focus on new or increasing risks identified as part of the Council's risk management work, and this will influence the work programme over the course of the strategy. Consideration will also be given to aligning the Council's strategy and work programme with the Government's next Fighting Fraud Locally Strategy.

### **13.0 Review and assessment**

- 13.1 The Internal Audit Client Manager, submits to the Audit Committee the governance policies that support the authorities arrangements to prevent anti-fraud, bribery and corruption. As part of this process the Internal Audit Client Manager will review these policies to ensure that they meet good practice.

Prevent			
Aim	Actions	Desired Outcomes	Responsibility
To understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.	To complete and enhance the fraud risk register by: <ul style="list-style-type: none"> <li>Evaluating the likelihood and significance of each inherent fraud risk.</li> <li>Identifying the existing control environment to highlight any residual risk.</li> <li>Identifying risk owners.</li> <li>Integrating the fraud risks into the Council's risk management arrangements.</li> </ul>	A better understanding of the fraud threats facing Council services. Fraud risks considered as part of the Council's risk management arrangements.	Risk Management Group Service Managers Internal Audit Client Manager Managers
To prevent fraud through the implementation of appropriate and robust internal control measures.	Development and implementation of a fraud risk plan tailored to individual fraud risks. Activities to be incorporated into Internal Audit plans, as appropriate.	An improved internal control environment adequately addressing the identified fraud risks to the Council.	Service Managers Internal Audit Client Manager
	Prepare a briefing note for management to act as a prompt when designing or reviewing policies, strategies and procedures. Consideration should be given to incorporating this information into the corporate strategy guidance document.	Managers will give due consideration to the risks of fraud, bribery and corruption when writing new or updating existing policies, strategies or procedures to help prevent fraud entering the system in the first place (fraud prevention by design).	Risk Manager
Recruitment of honest employees	To support management's review of staff recruitment policy and practices to enhance the Council's recruitment	Thorough checks are undertaken to prevent dishonest employees being appointed within the Council.	Head of Policy and Governance



	vetting of prospective employees.		Service Managers
Ensure a clear statement of intent is communicated to the whole organisation to help develop and embed a counter fraud culture.	Annual review of the Council's suite of fraud documents.	The Council continues to provide a clear and coherent message which is reflective of the law and best practice.	Internal Audit Client Manager
Increase fraud awareness amongst employees, Members, and customers.	Continue to ensure appropriate fraud e-learning is provided to all new and existing employees (mandatory) and Members (recommended).	A strong anti-fraud, bribery and corruption culture within the Council.	Internal Audit Client Manager Fraud Investigation Officer
	Continue to disseminate fraud warnings and alerts to relevant managers and officers.	To make managers and officers aware of instances of fraud that have been perpetrated against other council's and public sector organisations to enable them to promptly tighten internal controls as required and heighten their awareness against any threats.	Internal Audit Client Manager  Managers / Service Managers
	Undertake service specific fraud awareness training and presentations – ongoing programme to be guided by investigation work (organisational learning) and fraud risks.	A greater understanding of fraud risk within services to better identify instances of fraud and the correct procedures for reporting and investigation.	Internal Audit Client Manager  Service Managers

	<p>Enhance fraud communications and update literature including:</p> <ul style="list-style-type: none"> <li>• Introduction of periodical fraud briefings / newsletter for all staff, including publicising the “signs of fraud, bribery and corruption” (Council’s Anti-Fraud, Bribery &amp; Corruption Policy)</li> <li>• Updating of the “awareness and reporting” leaflet for inclusion in employees and Member induction packs.</li> <li>• Update the fraud pages on Backstage and on the Council’s website.</li> </ul>	<p>A strong anti-fraud, bribery and corruption culture within the Council. An increased awareness of the threat of fraud against the Council. Employees and Members are made more aware of the requirement to act in accordance with the Council’s Codes of Conduct and report any suspicions in accordance with set policies and procedures.</p>	<p>Internal Audit Client Manager</p>
	<p>Review the use of the internal fraud e-learning module.</p>	<p>Determine how effective the module has been in increasing awareness. Identify areas for further training.</p>	<p>Internal Audit Client Manager</p>
<p>To develop networks, protocols and arrangements to facilitate joint working or partnerships to manage the Council’s fraud risks.</p>	<p>Explore opportunities for joint working and networking and determine informal and formal arrangements as necessary (e.g. other local authorities and housing associations). Contribute to and consider the results from any national fraud surveys from leading bodies and</p>	<p>Arrangements in place with others external to the Council to improve the efficiency and effectiveness of counter fraud and corruption risk management. (Surrey Counter Fraud Partnership)</p>	<p>S151 Officer, Internal Audit Client Manager Service Manager</p>

	organisations to inform the strategy and fraud risk management (e.g. CIPFA, TEICCAF, DWP etc.).		
Detect			
To ensure protocols are in place to facilitate data and intelligence sharing and analysis, using techniques such as data matching and data analytics, to validate data and detect control failings to support counter fraud activity.	Continue active involvement in data matching exercises, such as NFI & Surrey Data hub. Review existing arrangements to ensure the Council is maximising their use (e.g. NAFN subscription). Develop links with external agencies to enhance opportunities for information sharing. Explore further opportunities for data matching both internally between services and externally with neighbouring authorities.	Fraud, bribery and corruption are identified and investigated.	Internal Audit Client Manager
To maintain and enhance the Council's confidential reporting and whistleblowing arrangements.	Review the Council's whistleblowing arrangements, taking into consideration best practice provided by "Public Concern at Work".	A selection of avenues for reporting suspicions which are suitable for all. An internal policy which is fit for purpose and reflects the latest best practice.	Internal Audit Client Manager
	Internally promote the ReportIT function to increase knowledge of and confidence in reporting suspicious and irregular activity.  Externally promote the Council's	Reinforcement of the Council's zero-tolerance approach to fraud and corruption. Increased awareness of the risks of fraud within and against the Council.	Internal Audit Manager  Marketing & Communications Manager

	<p>whistleblowing arrangements among the public, key contractors and suppliers including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Implementation and maintenance of a Fraud Reporting function.</li> <li><input type="checkbox"/> Communications via the Council's social media outlets.</li> <li><input type="checkbox"/> Identifying and taking advantage of Council arranged events to raise awareness.</li> <li><input type="checkbox"/> Reviewing the Council's standard contract terms and conditions.</li> </ul>	<p>Increase in fraud referrals.</p>	<p>Corporate Procurement Officer</p>
<p>Maintain an appropriate mix of experienced and skilled staff and develop access to specialist services to effectively investigate fraud referrals.</p>	<p>Continual learning and professional development of "counter fraud" and investigatory officers.</p>	<p>Continual development will ensure the relevant staff have the skill set and knowledge required to competently undertake their duties.</p>	<p>Internal Audit Client Manager  Revenues Manager</p>
	<p>Establish a network of suitably trained contractors and specialist suppliers for use in investigations, such as computer forensics and financial investigators.</p>	<p>The Council will have ready access to suitably trained individuals when undertaking complex investigations.</p>	<p>Internal Audit Client Manager</p>
<p>Deter</p>			

Aim	Actions	Outcome	Responsible Officer
Publicise the deterrent	Periodically publicise the Council's counter fraud stance and activities, including details of any successful cases or initiatives completed.	Individuals are deterred from committing fraud against the Council.	Internal Audit Client Manager Marketing & Communications Manager
Enhance the deterrent	Review and publishing of the Council's prosecution policy.	Individuals are deterred from committing fraud against the Council.	Internal Audit Client Manager  Marketing & Communications Manager
	Review the Council's sanctions and redress and reflect these within fraud policies, response plan and procedures.	Appropriate sanctions are applied to individuals following proven allegations and effective action taken to effect maximum recovery for the Council.	Internal Audit Client Manager