

COUNTER FRAUD PROGRESS REPORT

Date: 5 October 2023

Appendix 2





BACKGROUND

- 1 Fraud is a significant risk to the public sector. The government estimated that between £33.2 and £58.8 billion of public spending was lost to fraud in 2020/21¹. Financial loss due to fraud can reduce a council's ability to support public services and can cause reputational damage.
- 2 Veritau delivers a corporate fraud service to the Council which aims to prevent, detect and deter fraud and related criminality. The counter fraud team investigate allegations of fraud, plan and take part in counter fraud campaigns (eg the National Fraud Initiative), undertake fraud awareness activities with staff and the public, and maintain and update the Council's counter fraud framework and associated policies.
- 3 This report updates the Corporate Affairs and Audit Committee on counter fraud activity in 2023/24.



FRAUD MANAGEMENT

- 4 Veritau worked with the Human Resources department to update the Council's whistleblowing policy. The updated policy was finalised in June 2023. It reflects national guidance and best practice. The policy introduces more detailed guidance for managers on how to address whistleblowing concerns. A central log of whistleblowing reports is now being maintained by Veritau. With the support of the communications team the revised whistleblowing policy was highlighted to all Council employees as part of World Whistleblowers' Day on 23 June.
- 5 The Council participated in a National Day of Action against Blue Badge fraud in June 2023, alongside 80 other councils. The exercise involved making checks on blue badges displayed in the town to determine if they were being properly used by legitimate badge holders. The counter fraud and neighbourhood safety teams worked together to check 38 badges on the day which resulted in one penalty charge notice (PCNs) being issued. Nationally 5000 badges were inspected, 196 PCNs were issued, and 92 badges were seized.



MULTI-AGENCY WORK

- 6 The National Fraud Initiative (NFI) is a large-scale data matching exercise that involves all councils and other public sector bodies in the UK. The work of the NFI is overseen by the Public Sector Fraud Authority (PSFA) and the exercise runs every two years. The results of the 2022/23 datamatching exercise (5000 matches in total) are currently being reviewed by the counter fraud team and other teams across the Council.

¹ [Tackling fraud and corruption against Government](#), National Audit Office

INVESTIGATIVE WORK

- 7 Between 1 April and 31 August 2023, the counter fraud team received 47 referrals of suspected fraud. These cover potential council tax fraud, council tax reduction fraud, internal fraud and debt recovery issues. Referrals have been made by members of staff, the NFI, and the public. Ten investigations have been completed this year and there are currently 24 cases under investigation.
- 8 Investigative work in 2023/24 has identified £33k of loss to the Council to date. The counter fraud team supports the Council to recover debts identified as part of investigations. Counter fraud savings are also tracked by monitoring repayments to the Council and calculating the value of stopping ongoing fraud. To date £11k of counter fraud savings have been generated.