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**Report of Stephen Carter, Interim Chief Internal Auditor and  
Corporate Fraud Manager**

**Electoral division(s) affected:**

Countywide.

**Purpose of the Report**

- 1 This report presents the Annual Protecting the Public Purse Report, to inform Members of the work that has been carried out by the Corporate Fraud Team during the period 1 April 2020 to 31 March 2021.

**Executive Summary**

- 2 The report provides Members with the progress that has been made by the Corporate Fraud Team for 2020/21 up to 31 March 2021 and provides as update on:
  - (a) The work of the Corporate Fraud Team;
  - (b) Action taken to raise awareness of the risk of fraud and corruption to assist in embedding a strong counter fraud culture throughout the organisation;
  - (c) Reported cases of potential fraud reported during 2020/21;
  - (d) Proactive Counter Fraud work;
  - (e) Progress on the Council's participation in the National Fraud Initiative (NFI) 2020/21;
  - (f) Fraud Reporting;
  - (g) Fraud Training;
  - (h) Covid-19 Frauds.

3 The appendices attached to this report are summarised below. Appendix 4 marked with an asterisk is not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3).

- (a) Appendix 2 – Case load and values of Fraud identified for 2020/21;
- (b) Appendix 3 – Counter Fraud Operation Plan 2021/2022;
- (c) Appendix 4\* – Cases of potential internal corporate fraud reported and ongoing investigations;
- (d) Appendix 5 - CIPFA Fraud and Corruption Tracker National Report 2020.

## **Recommendations**

4 Members are asked to note the contents of the Annual Protecting the Public Purse Report 2020/21 including:

- (a) The work carried out by the Corporate Fraud Team;
- (b) The actions taken to improve awareness and the arrangements in place for managing the risk of fraud and corruption;
- (c) Corporate Fraud Team numbers and values of fraud identified for 2020/21 (Appendix 2);
- (d) Counter Fraud Operation Plan 2021/2022 (Appendix 3).

## **Background**

- 5 The risk of fraud and corruption is recognised as a strategic risk within the Council's Corporate Strategic Risk Register.
- 6 The Counter Fraud and Corruption Strategy was agreed by CMT and then Audit Committee in June 2018. It was reviewed during 2019/20 but did not require any changes. The Strategy will be reviewed and updated during 2021/22 in line with the new Fighting Fraud & Corruption Locally a Strategy for the 2020's, which was presented to the committee in June 2020.
- 7 The Corporate Fraud Team is responsible for:
  - (a) Developing, implementing and promoting the Council's Counter Fraud and Corruption Strategy, raising awareness of the risk of fraud and corruption and advising on controls that will effectively manage the risk;
  - (b) Investigating cases of suspected fraud and overseeing that any investigations are completed in accordance with the Council's Fraud Response Plan and other Counter Fraud Policies;
  - (c) Supporting management pro-actively in the prevention and identification of potential irregularity through membership of the National Anti-Fraud Network (NAFN), the North East Fraud Forum (NEFF), CIPFA's Counter Fraud Centre and directly through the Cabinet Office's National Fraud Initiative (NFI).
- 8 The Audit Committee is responsible for monitoring the arrangements the Council has put in place to mitigate the risk of fraud and corruption by seeking assurance on their effectiveness.
- 9 It is recognised that the vast majority of our residents, employees and contractors/suppliers are honest and trustworthy. We believe that the majority of people will support our strategy and fight against fraud and welcome the work to protect the public purse.

## **Corporate Fraud Team**

- 10 The Corporate Fraud Team has continued to develop over 2020/21. The team has investigated both internal and external frauds, as well as assisting with counter fraud activity.
- 11 The work of the Corporate Fraud Team includes:
  - (a) Investigating potential council tax reduction fraud;

- (b) Investigating potential single person discount fraud and other council tax frauds;
- (c) Investigating potential business rates fraud;
- (d) Investigating potential employee fraud;
- (e) Investigating potential fraud in schools;
- (f) Investigating potential abuse of blue badges;
- (g) Investigating potential direct payments fraud;
- (h) Investigating potential insurance fraud;
- (i) Investigating potential grant fraud;
- (j) Investigating potential procurement fraud;
- (k) Investigating serious data breach cases where the Information Commissioners Office will be notified;
- (l) Coordinating and investigating reports from the National Fraud Initiative (NFI);
- (m) Creating stronger partnership working and a multi-agency approach to tackle organised crime and fraud and corruption by having a member of the Corporate Fraud Team working alongside Durham Constabulary;
- (n) Working with Believe Housing, Gentoo Homes and Livin Housing to investigate potential tenancy fraud;
- (o) Working with Bernicia Homes, Gentoo Homes, Karbon Homes, and Livin Housing to investigate potential right to buy and right to acquire fraud and verification checks;
- (p) Membership of the CIPFA Counter Fraud Centre, attending Round Table Events and forums to gain best practice;
- (q) Working with colleagues in People and Talent Management to review and support disciplinary investigations;
- (r) Working with colleagues in People and Talent Management and Corporate Complaints Unit to review employee complaints;
- (s) Single point of contact (SPOC) for potential housing benefit fraud for information sharing with the Department for Works and Pensions;

- (t) Investigating Covid-19 frauds and assisting with post assurance and pre-payment checks with Covid-19 grants.

## Counter Fraud Awareness

12 A summary of the counter fraud awareness initiatives progressed in 2020/21 are as follows:

- (a) A continued review of the Corporate Strategic Risk into Fraud & Corruption has been completed, with progress made to develop a Fraud Risk Register embedded within each Service grouping;
- (b) Virtual attendance at Durham Constabulary's quarterly Serious and Organised Crime Disruption Panel;
- (c) Virtual attendance at Durham Constabulary's Gold Command Group;
- (d) Fraud awareness with emerging Covid-19 fraud risks being communicated to high risk areas during 2020/21. Further awareness is continuing, with the ongoing pandemic changing the fraud landscape. Fraud Awareness is an ongoing action included within the Fraud Operational Plan to be delivered on an annual basis;
- (e) Fraud awareness is incorporated into the induction process for new employees. Employees are directed to Counter Fraud pages and Policies on the intranet;
- (f) As part of the annual review of the Recruitment and Selection Policy, a fraud declaration is included to act as a deterrent. It has been agreed for employee data to be reviewed and matched against Durham Constabulary's Organised Crime Group (OCG) data;
- (g) Several warnings have been received from the National Anti-Fraud Network (NAFN) regarding a range of frauds and scams against Councils and schools. All warnings are communicated to the relevant service areas and publicity to warn our customers;
- (h) Durham County Council (DCC) is a member of the CIPFA Counter Fraud Centre and the North East Fraud Forum (NEFF), receiving warnings of scams and alerts and good practice. Again, all warnings are communicated to the relevant service areas and publicity to warn our customers;
- (i) The Corporate Fraud Team has signed up to receive Credit Industry Fraud Avoidance System (CIFAS) weekly alerts, with

these alerts also communicated to the relevant service areas and publicity to warn our customers;

- (j) To help reduce the potential risk to schools within the County, details of the common frauds and scams, and how to avoid them, have also been made available on the school extranet and in school newsletters;
- (k) The Corporate Fraud System records all scams and alerts, so intelligence searches can be made at any time;
- (l) A review of how scams and alerts are communicated continued during 2020/21, with an agreed joint approach with Community Protection Services to be rolled out during 2021/22;
- (m) The Confidential Reporting Code (Whistleblowing) is available on the DCC website for contractors, suppliers, and former employees, as well as publicity for current employees being included on the intranet. There has been one report during 2021/22. Further awareness of the code is being reviewed, especially with the heightened threat of insider fraud due to Covid-19;
- (n) The Corporate Fraud Sanction Policy is publicised on the DCC website acting both as a deterrent and allowing us to pursue fraudsters. This policy sets out what actions will be taken with fraud and the sanctions available to dispose of offenders. Since the creation of the Corporate Fraud Team, we have had 31 prosecutions and sanctioned 53 cases, with potential further cases currently under investigation;
- (o) A continued review of Durham County Council's website relating to fraud and the reporting methods has been carried out, with new pages added to the landing page [www.durham.gov.uk/fraud](http://www.durham.gov.uk/fraud). This is part of the Fraud Campaign and Fraud Communications Strategy;
- (p) The Counter Fraud and Corruption Strategy, the Fraud Response Plan, the Confidential Reporting Code, the Corporate Fraud Sanction Policy, and the Anti Money Laundering Policy are all available on both the DCC website and on the DCC intranet. All these documents will be reviewed during 2021/22;
- (q) Training, which includes counter fraud guidance, is included in the Governor Training Booklet. We provide one course every school term, therefore three are provided annually. This is currently on hold;

- (r) The Corporate Fraud System is maintained for all reported cases of fraud, which is then reported to Service areas and Audit Committee;
  - (s) Fraud reporting has continued during 2020/21 with 1,133 reports made. All of the various fraud reporting channels have been utilised, showing the importance of maintaining these access channels and the need to keep reviewing new reporting methods;
  - (t) The Fraud Communications Strategy and delivery programme has continued throughout 2020/21, with various forms of publicity and communications, especially with Covid-19 frauds and scams. Further details of this are included below;
  - (u) A new electronic process for the Employee Code of Conduct (CCE) declarations was finalised and this will be rolled out from April 2021.
- 13 The Counter Fraud Operational Plan 2020/21 was implemented and monitored throughout the year. A new Counter Fraud Operational Plan has been developed for 2021/22, which is shown as Appendix 3. The plan will continue to be monitored every four weeks, so that progress can be effectively managed.
- 14 A programme for managers is included within the Corporate Training Programme and includes Fraud Awareness. Regular sessions are held which includes as many managers as possible to alert them to the risk of fraud as an organisation and in their respective service areas.
- 15 In May 2019 Durham County Council signed up to a joint counter fraud initiative with the Department of Works and Pensions (DWP) local fraud investigators. The joint counter fraud initiative involved DWP local fraud teams, working together with council fraud teams, carrying out joint criminal fraud investigations of Council Tax Reduction Scheme (CTRS) and Social Security benefit fraud.
- 16 Since May 2019 there have been a total of six cases jointly investigated, all of which have been closed as no fraud was identified. A review of the joint working initiative with DWP Management is pending, to determine if it is worthwhile continuing. However due to the pandemic, DWP fraud teams have been seconded to other workloads and therefore this initiative and conversations have been put on hold. Progress of this initiative will continue to be reported to the Committee within the update activity report.
- 17 The fraud campaign was put on hold during the first half of 2020/21, instead Covid-19 fraud awareness and publicity has taken priority. The Corporate Fraud Team has worked in partnership with Community

Protection Services and Communications and Marketing to make sure both employees and the public are informed about the Covid-19 fraud risks and scams.

- 18 The fraud campaign did restart with International Fraud Awareness week in November 2020. This was followed with specific publicity for the remainder of the financial year. A new Fraud Communications Strategy has been finalised for 2021/22 with the same key messages to ‘fight fraud together’ and ‘stamp out fraud’ asking residents, stakeholders, Members, and employees to ‘help stop fraud and report it’.
- 19 The Fraud Communication Strategy is a live document, with further internal and external communications being developed and will be rolled out during 2021/22, with the plan to keep our awareness refreshed and ongoing, especially as ‘fraud doesn’t stop or stand still’.
- 20 DCC piloted an Email Fraud Protection (EFP) product. The product detects fake invoices even from compromised email accounts, rates every invoice for authenticity or indicators of compromise, monitors compromised emails from vendors, suppliers and internal accounts and scans emails continuously including archived content and attachments.
- 21 EFP assists with vendor/supplier fraud, CEO fraud, from email spoofing and account take overs. The pilot is currently being evaluated and an update will be reported to the Committee within the update activity report later this year.

### **Reported Cases of Potential Fraud and Irregularity**

- 22 The Fraud Response Plan, which underpins the Counter Fraud and Corruption Strategy, requires that cases of attempted, suspected or proven corporate fraud or irregularity reported to service managers must be reported to the Chief Internal Auditor and Corporate Fraud Manager when they are identified or raised.
- 23 A register is maintained by the Chief Internal Auditor and Corporate Fraud Manager of all suspected cases of fraud reported, whether or not the matter is investigated. The register is maintained on the Council’s Corporate Fraud System and identifies all different types of fraud, both internal and external.
- 24 The maintenance of these records is essential to monitor the impact of fraud on, and within, the Council, as a measure of the effectiveness of the Counter Fraud and Corruption Strategy.
- 25 Cases are also monitored to identify any potential trends and/or potential weaknesses in the control environment that may require further action or attention.

- 26 A summary of the potential cases of internal corporate fraud reported in each of the last five years is as follows: -

Financial Year	Number of Cases
2016/17	58
2017/18	40
2018/19	30
2019/20	37
2020/21	23

- 27 Referrals in 2020/21 have decreased in comparison to previous years. This may be due to the pandemic and people working at home and transferred to do other duties. Disciplinary action was also put on hold for a period at the beginning of 2020/21. It is hoped that the awareness of the Corporate Fraud Team acts as a suitable deterrent and our zero-tolerance approach is being embedded within the organisation.
- 28 It is worth noting that between October 2020 and March 2021 there were 19 reports. Fraud publicity with International Fraud Awareness week in November 2020, publicising the Confidential Reporting Code and the relaxations with Covid-19 restrictions, could have encouraged more reports to be made. Ongoing awareness of the Corporate Fraud Team and promoting our Fraud Strategy will continue to encourage cases to be reported.
- 29 Working from home has changed the landscape and potential for internal fraud. Our internal fraud risks and the Council's internal control measures have continued to be reviewed during 2020/21 to ensure that they remain fit for purpose and take account of the increase in home working.
- 30 A summary of ongoing cases from previous years, and cases reported in 2020/21, together with the outcomes from any subsequent investigation, are shown as Appendix 4 within Protecting the Public Purse Annual Report (Part B).
- 31 As with all fraud investigations carried out, where weaknesses in control are identified, recommendations are made to minimise the risk of repeat cases. Where applicable, and where patterns emerge, this helps inform the Internal Audit Plan and potential proactive fraud work in the future.
- 32 A summary of the potential cases of external corporate fraud reported and investigated since 2015/16 is as follows:

Financial Year	Number of Referrals	Number of Cases Investigated	Actual Outcome Values	Notional Outcome Values
2015/16	804	744	£1,726,802	Not Recorded
2016/17	803	364	£793,331	Not Recorded
2017/18	1,041	659	£796,691	Not Recorded
2018/19	978	481	£1,344,290	Not Recorded
2019/20	1,156	721	£3,569,089	£64,888
2020/21	1,133	691	£3,372,722	£78,449
<b>Totals</b>	<b>5,915</b>	<b>3,660</b>	<b>£11,602,925</b>	<b>£143,337</b>

- 33 Referrals have continued to be in line with previous years, with a change in Covid-19 fraud risks and scams being reported. The number of cases investigated, and the actual outcome values has decreased slightly compared to 2019/20. The pandemic has changed the fraud landscape, but these figures show that the work of the Corporate Fraud Team has been maintained during 2020/21.
- 34 The totals show our zero tolerance of over 3,600 investigations and over £11.6 million worth of fraud uncovered or intercepted. The continual development and journey of the Corporate Fraud Team, with the fraud campaign and strong partnership working have contributed.
- 35 These partnerships, as well as others, have also allowed the team to commercialise and bring in an income. During 2020/21 the team income was circa £79,000, which is a slight reduction from previous years, with the pandemic being the main contributory factor.
- 36 During 2019/20 a notional value was measured and introduced within the team's performance indicators. These values calculate the preventative amount, that a fraud investigation has saved, that would have continued to be paid. The methodology and calculations that are used are from both a national report by the Cabinet Office and using our own methodology with costs for DCC. The notional value for 2020/21 has increased when compared to 2019/20.
- 37 A review of our fraud measurement and fraud risk values commenced during 2020/21 and will be completed during 2021/22. A new methodology is to be reported for 2021/22, which will be presented within the update activity report in November.
- 38 A summary of the Corporate Fraud Team case load and values of fraud cases identified during 2020/21, are shown as Appendix 2.

## **Proactive Counter Fraud Work**

- 39 Across the year, several proactive counter fraud initiatives have been completed, including:
- (a) The continuation of the North East Tenancy Fraud Forum (NETFF), with the Fraud Manager as joint chair;
  - (b) The continuation of the North East Regional Investigation Officers Group (NERIOG), with the Fraud Manager as the chair;
  - (c) Further development of the Corporate Fraud System data warehousing software, which allows localised data matching and intelligence led investigations. New datasets have been included during 2020/21. Data analytics and proactive investigations are areas that the Corporate Fraud Team are keen to develop further;
  - (d) The partnership work with Durham Constabulary allows for data matching to be done against specific council datasets against police OCG data. The partnership has also allowed for direct access to Police intelligence systems to assist with Corporate Fraud investigations;
  - (e) The Police partnership continues to grow from strength to strength and other Local Authorities and forces have contacted us wanting to implement our approach. The FFCL has included our partnership within the new national Strategy as best practice;
  - (f) The continuation of the Blue Badge Enforcement Group (BBEG) with one of the Corporate Fraud Investigators as chair. This group is attended by Parking Services, Adult Health Services, and the Corporate Fraud Team to tackle fraud and misuse as a joined-up authority;
  - (g) The Corporate Fraud Sanction Policy has allowed us to dispose of three prosecutions and 11 sanctions during 2020/21;
  - (h) Progress has continued to develop the North East Regional fraud data hub, with Durham being the lead authority. This will assist with cross boundary intelligence and data matching, allowing us to tackle fraud on a regional level with Gateshead Council and Newcastle City Council;
  - (i) The Regional Hub is being developed under the Digital Economy Act and once this goes live, will be one the first fraud pilots nationally for local authorities. Due to the pandemic the go live date has been put on hold and it is now expected to receive ministerial approval in June 2021;

- (j) A three-year Strategic Partnership is continuing with both Believe Housing Group and Livin Housing, for the Corporate Fraud Team to deliver Tenancy Fraud work for both organisations;
- (k) A two-year Strategic Partnership commenced in December 2020 with Gentoo Homes, for the Corporate Fraud Team to deliver Tenancy Fraud work;
- (l) A Strategic Partnership with both Bernicia Homes and Karbon Homes is continuing for the Corporate Fraud Team to deliver right to buy and right to acquire verification checks and any potential money laundering fraud;
- (m) Two new Strategic Partnerships with Gentoo Homes and Livin Housing has been entered into during 2020/21 for the Corporate Fraud Team to deliver right to buy and right to acquire verification checks and any potential money laundering fraud;
- (n) In December 2019 the Corporate Fraud Team seconded a Financial Investigator (FI). This role has continued during 2020/21 and continues to be invaluable, assisting with criminal investigations, as well as the recovery of monies and assets for DCC;
- (o) This role has given the Corporate Fraud Team other lines of enquiry and powers that previously were not available and has demonstrated the need of a Financial Investigator within the fraud team on a permanent basis. Development of a resource from within the team will be progressed during 2021/22.

## **National Fraud Initiative (2020/21)**

- 40 The National Fraud Initiative (NFI) is the Cabinet Office's data matching exercise that runs every two years. Data from various Council systems was submitted in October 2020 and matched across systems and against data submitted by other organisations to identify potential fraud and / or error.
- 41 The main results of the NFI 2020/21 were released between January and April 2021, and produced a total of 77 separate reports, containing 71,894 individual data matches for review by the Council. The Corporate Fraud Team is the key contact and coordinator for this exercise, with an action plan to make sure DCC reviews and investigates the results to identify fraud and error and recover any overpaid monies. Results are investigated by service areas, internal audit, and corporate fraud, depending on the report types.

- 42 As at 19 May 2021, 25 reports / 8,949 matches have been closed and outcomes reported as 28 errors identified and savings of £6,236. There are reports that have been investigated and closed in bulk, but these do not show as individual matches closed and are not included within the 8,949. Early indication suggests that the controls and our own data analytics and partnership work, seem to be effective, with very few matches having positive outcomes, in that we are already aware and have actioned any error or that the match is incorrect.
- 43 There are still some reports that need to be progressed, with the pandemic once again having an impact on resource implications. Progress of this initiative will continue to be reported to the Committee within the update activity report.
- 44 In line with NFI requirements, Council Tax and Electoral Roll data is also submitted annually to help identify potential Single Person Discount (SPD) fraud or error. Council Tax data is also matched to all other NFI data sets to identify further potential SPD fraud or error. This exercise will be submitted again in December 2021.
- 45 The National Fraud Initiative is also carried out by DCC on behalf of Durham Constabulary, County Durham & Darlington Fire & Rescue Authority and for the first time the North East Combined Authority.

## **Fraud Reporting**

- 46 Fraud data has continued to be provided in respect of surveys for the CIPFA Counter Fraud Centre.
- 47 A national CIPFA Counter Fraud and Corruption Tracker report was published in February 2021 and is attached for the Committees reference at Appendix 5. The report has several recommendations that will be reviewed and implemented during 2021/22.
- 48 As part of NERIOG, a benchmarking document has been agreed that will be used to show a regional position, allowing Durham to benchmark against neighbouring authorities in the region. The most recent document shows Durham leading the fight against fraud in the North East Region.
- 49 Fraud transparency data has continued to be reported on the website as part of the Local Government Transparency Code 2015.
- 50 DCC is continuing to support the Fighting Fraud and Corruption Locally (FFCL) Board and assisted with the development of the new national FFCL Strategy and supporting documents. DCC was mentioned in the Strategy as a best practice fraud team and were thanked for our input.

- 51 As part of the FFCL strategy, there is a comprehensive checklist, which was presented to Committee last year. This checklist will be reviewed, and any actions implemented during 2021/22, to assist with our local response and continually professional development.
- 52 The Corporate Fraud Team has continued to benchmark with its Local Performance Indicators as part of the Performance Management Framework of the Service.

## Fraud Training

- 53 A Durham Managers programme is included within the Corporate Training Programme and includes Fraud Awareness. Regular sessions are held to include as many managers as possible to alert them to the risk of fraud for both our organisation and in their respective service areas. This action is currently on hold.
- 54 It has been agreed that all members of the Corporate Fraud Team will complete the new Accredited Counter Fraud Specialist qualification, showing the continued commitment within DCC to protect the public purse. Three members of the team are already qualified. Five members of the team are already Professional in Security accredited counter fraud specialists.
- 55 DCC was involved in the Local Authority Government Counter Fraud Profession Working Group, which reviewed and developed Local Authority fraud standards and a professional qualification. DCC is currently reviewing membership options.
- 56 The Fraud Manager is the North East Regional Representative for the 'Fighting Fraud and Corruption Locally' board and a member of the National Operational Group. This demonstrates Durham again leading the fight against fraud in the region and are also being recognised nationally.
- 57 The Fraud Manager has attended virtual conferences and seminars to assist with the team's continuing professional development.
- 58 Two Corporate Fraud Investigator apprentices started employment in September 2018, one within the Corporate Fraud Team and the other within Internal Audit. Both apprentices successfully completed their Association of Accounting Technician (AAT) level 3 qualification during 2020/21.
- 59 The Corporate Fraud apprentice was appointed to the team on a permanent basis during 2020/21, in a new role Assistant Corporate Fraud Investigator and is also enrolled onto the new Counter Fraud Investigator apprenticeship.

- 60 It has been agreed for a new apprentice Corporate Fraud Investigator to be appointed during 2021/22 to continue with our plan to ‘grow our own’ and build the team.
- 61 A Durham cohort commenced during 2020/21, with DCC championing the new Counter Fraud Investigator apprenticeship. This is one of the first of these apprenticeships nationally, again showing Durham leading the way. Three members of the Corporate Fraud Team are enrolled.
- 62 The Fraud Investigation Standard, as part of this apprenticeship, has been developed to provide a recognised and robust pathway for fraud investigators, that would allow for parity across sectors and comprehensive development of all knowledge, skills and behaviours associated with being an effective and competent investigation professional.
- 63 The Corporate Fraud Team’s partnership with ITS Training (UK) Limited, a specialist fraud training provider is continuing. The Corporate Fraud Team benefits by receiving free places on training courses and saving costs in not having to travel to other venues outside Durham. Some virtual training has been delivered during 2020/21.

## Covid-19 Frauds

- 64 Financial support with Covid-19 stimulus packages have been made available to both residents and local businesses. Local Authorities have supported central government in administering some of these packages. Government guidance for these schemes has been subject to frequent change and significant pressure was placed on local authorities to make these payments swiftly with an emphasis on post payment verification rather than pre-payment verification checks that may slow down the processing of these grants.
- 65 As reported in the activity update report in November 2020, the Covid-19 pandemic has provided an opportunity for fraudsters to exploit people, businesses, and public and private organisations. Fraudsters are using sophisticated methods to callously exploit people’s financial concerns, scamming them out of money. With the urgency to support people and the billions of pounds being spent from government, fraudsters are also taking advantage of weaknesses in controls.
- 66 Criminals have continued to use known fraud risks to attack local authorities via impersonation fraud, CEO fraud, mandate fraud, phishing emails, empty property fraud, false representation, and money laundering. Serious and Organised criminals are exploiting these unprecedented times, but we have also seen a rise in opportunist fraud.

- 67 The Corporate Fraud and Internal Audit Teams have played an important role in supporting DCC to verify we are paying out monies to genuine people and businesses who need financial support during the Covid-19 restrictions. The teams have led on the post payment verification processes, have been involved in designing systems and processes on an advice and consultancy basis, as services were tasked with establishing new processes to process these schemes.
- 68 Fraud & Corruption has been added to our Covid-19 Risks and is being monitored on a regular basis. During 2020/21 the Corporate Fraud Team, with Internal Audit, have spent over 230 days verifying grants and bank details, identifying, and investigating fraud and attempted frauds, as well as working in partnership with colleagues from Revenues & Benefits on the fraud risk assessment.
- 69 The work of the Corporate Fraud Team and Internal Audit have carried out post-payment assurance work alongside fraud and verification checks and investigations as follows:
- (a) Serious and Organised frauds affecting multiple Local Authorities have been identified and investigated. Initially, the frauds were phishing emails pretending to be large national companies. As the grant schemes progressed, we saw an increase in empty property frauds where false leases and supporting documents were provided to be made liable for business rates and apply for a grant. Evidence has been provided to the National Investigation Service (NATIS) to progress criminal proceedings in some of these cases, and intelligence has been circulated externally to assist other authorities in preventing fraud. £130,000 of government funds has been frozen in a fraudster's bank account to assist in recovery of the funds upon conviction;
  - (b) DCC has paid fraudulent grants with a value of circa £245,000;
  - (c) 62 attempted frauds have also been prevented, with a value of circa £887,000;
  - (d) A joint investigation with the Durham police resulted in a successful prosecution into a Covid-19 grant fraud of £10,000 and an attempted fraud of a further £10,000. The offender has been sentenced to 10 months in prison in what is believed to be the first Covid-19 grant fraud prosecution in the country;
  - (e) NFI has been utilised to assist with bank account verification and to identify any discrepancies between the grants and Companies House data;

- (f) The Government Spotlight tool has been utilised to assist with the due diligence checks. Spotlight provides risked outputs against company status, company age, overdue accounts, insolvency and charity status checks;
  - (g) Data analytics work has been undertaken to review duplicate payments, rateable value to payment amount, review of grants paid without applications (insider threat), top three highest paid businesses, suspicious bank account numbers checked, and the financial investigator has carried out multiple pre order enquiries;
  - (h) Multiple intelligence alerts have been circulated by NAFN providing a picture of the modus operandi of organised frauds, company names used and bank details. Intelligence has also been received from Lloyds and Santander. Prompt action by the Corporate Fraud Team and Business Rates Team on these alerts has resulted in DCC successfully preventing multiple frauds and being able to share intelligence with other local authorities;
  - (i) The Corporate Fraud Team report identified frauds to NAFN, feeding into the national intelligence picture and providing the required national reporting figures;
  - (j) Post-Payment assurance audits are ongoing into the Small Business Relief Grants, the Retail, Hospitality and Leisure Grants, and the original Discretionary Grant scheme;
  - (k) Post-Payment Assurance work will start on the Additional Restriction Grants and Lockdown Grants schemes;
  - (l) Pre-Payment checks has been carried out, and is ongoing, to validate grants paid under the Re-start Grant scheme. These checks include, utilising the NFI results with bank account validation, Spotlight, and checks against previously identified frauds and scams;
  - (m) Pre-Payment checks are planned for the new Discretionary Re-start Grant scheme;
  - (n) Ongoing work with the NFI to check for duplicate and fraudulent claims, both within DCC and between local authorities.
- 70 Although the majority of Grants Fund schemes have now closed, there is a continuation of the post assurance work and ongoing fraud investigations. There are currently 59 ongoing fraud investigations, future intelligence alerts to review, collation of fraud figures for national reporting, post assurance audits, and the current ongoing schemes that require bank and company verification and pre-payment checks.

- 71 There is ongoing work with Durham Police for a multi-agency operation on Organised Crime Groups who have abused the grant scheme and assisting Durham Police and NATIS in their prosecution.

72 The Covid-19 pandemic has seen a constant change with restrictions and newly developed support packages. The Corporate Fraud Team has working closely with the Business Rates Team over 2020/21, horizon scanning and dealing with new and emerging fraud risks as they arise. Internal Audit has developed and carried out post assurance plans/audits, with further work currently under review. These internal partnerships will continue during 2021/22, with fraud risks reviewed for any new stimulus packages and what approach and involvement the Corporate Fraud Team and Internal Audit will have.

73 The risks associated with the closure of Council buildings, offices, and an increase in working from home will be reviewed as part of the Covid-19 Fraud Risks and any actions implemented to reduce any identified threats. Progress will continue to be reported to the Committee.

## Background papers

- None.

## **Other useful documents**

- None.

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## **Appendix 1: Implications**

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### **Legal Implications**

Governance procedures in place, (particularly the Counter Fraud & Corruption Strategy, Contract Procedure Rules, Financial Procedure Rules, Codes of Conduct and the Confidential Reporting Code), supported by a robust audit programme of counter fraud awareness measures and assurance reviews will assist the Council in complying with anti-corruption law, in particular the Bribery Act, and also serves to reduce the risk of reputation damage and financial loss by litigation.

### **Finance**

Loss to the Council arising from fraudulent actions. The cost of the Corporate Fraud Team for 2020/21 is £277,847 and in 2020/21 they have recovered or intercepted over £3.3 million of potential fraud. Since the set-up of the Team in June 2015 the team have recovered or intercepted over £11.1 million. Some of the work of the team is also not measured and therefore does not have a value that can be calculated.

### **Consultation**

There has been no need for consultation to be undertaken as a result of this report.

### **Equality and Diversity / Public Sector Equality Duty**

There are no equality and diversity / public sector equality duty implications as a result of this report.

### **Climate Change**

There are no climate change implications as a result of this report.

### **Human Rights**

There are no human rights implications as a result of this report.

### **Crime and Disorder**

Fraud is a criminal offence as defined by the Fraud Act 2006.

### **Staffing**

Potential for disciplinary action to be taken against employees where fraud has been proven.

## **Accommodation**

There are no accommodation implications as a result of this report.

## **Risk**

The risk of fraud and corruption is recognised as a corporate strategic risk. An effective counter fraud strategy is a key control in helping to mitigate the risk.

## **Procurement**

There are no procurement implications as a result of this report.

**Corporate Fraud Team Results**  
**2020 - 2021**

**Appendix 2**

Fraud Type	Referrals Total	Referrals Accepted	Referrals Rejected	Investigations Closed	Frauds No.	Prosecutions No.	OUTCOMES Sanctions No.	Value (£)	Notional Value (£)
Adult Care	1	1	0	2	0	0	0	N/A	N/A
Financial Assessment									
Blue Badge	17	7	10	22	2	1	8	6,472	N/A
Council Tax (other)	55	29	29	21	11	0	0	50,673	20,450
Council Tax Support	148	85	64	80	41	1	2	28,977	6,211
Covid-19	126	112	4	95	69	0	1	962,000	N/A
Data Breach	2	2	0	2	0	0	0	N/A	N/A
Direct Payments	3	2	1	4	0	0	0	N/A	N/A
Employee	20	20	0	29	12	0	0	210	N/A
Funding/Grant	6	3	3	3	0	0	1	57,825	N/A
Housing Benefit	7	1	6	1	0	0	0	55,009	8,688
Insurance	10	10	0	21	12	0	0	216,225	N/A
Irregularity	9	6	6	1	0	0	0	N/A	N/A
NNDR	13	3	10	0	0	0	0	N/A	N/A
Procurement	5	5	0	4	0	0	0	N/A	N/A
Right to Buy	159	159	1	176	81	0	0	1,535,675	N/A
Schools	1	1	0	1	0	0	0	N/A	N/A
Single Person Discount	169	112	57	126	54	0	0	31,500	43,100
Tenancy	135	125	10	103	40	1	0	428,156	N/A
External	247	0	247	0	0	0	0	N/A	N/A
<b>Totals</b>	<b>1,133</b>	<b>683</b>	<b>448</b>	<b>691</b>	<b>322</b>	<b>3</b>	<b>12</b>	<b>3,372,722</b>	<b>78,449</b>

Notes:

Employee/Irregularity cases don't always have values – we are only recording financial monetary values at present i.e. theft.

Employee/Irregularity cases also includes non-Corporate Fraud Team cases.

External referrals are cases that are not for the Corporate Fraud Team and referred onto the Police, DWP, HMRC etc.

Notional value is an estimated measure for the preventative amount saved.

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments
1) Annual review and publication of: <ul style="list-style-type: none"> <li>• Confidential Reporting Code</li> <li>• Counter Fraud &amp; Corruption Strategy</li> <li>• Fraud Response Plan</li> <li>• Money Laundering Policy</li> <li>• Fraud Sanction Policy</li> </ul>	Fraud Manager / Chief Internal Auditor & Corporate Fraud Manager	31/03/2022		
2) Annual review of Counter Fraud pages on the Internet and Intranet.	Fraud Manager	31/03/2022		
3) Annual submission of Fraud Transparency data.	Fraud Manager	30/06/2021		
4) Review the current DCC Fraud Risks and Values and risk-based approach to workloads.	Fraud Manager / Corporate Fraud Team	31/12/2021		
5) Fraud Awareness: <ul style="list-style-type: none"> <li>• Develop a programme of fraud awareness</li> <li>• Service fraud awareness delivered to high risk areas</li> <li>• Implementation of a corporate e-learning fraud awareness training system</li> <li>• Introduce a process to alert all relevant service areas of fraud risks alerts</li> <li>• Review fraud awareness at induction within recruitment and selection</li> </ul>	Fraud Manager / Corporate Fraud Team	31/03/2022		

## COUNTER FRAUD OPERATIONAL PLAN

## Appendix 3

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments
6) Completion of all benchmarking exercises in which we participate. <ul style="list-style-type: none"><li>• CIPFA Tracker</li><li>• NERIOG</li></ul>	Fraud Manager	30/09/2021		
7) To finalise the Internal Data Hub extracts. To agree and upload the remaining extracts into the data warehousing.	Fraud Manager / Corporate Fraud Investigator	31/03/2022		
8) To review Privacy Notices and retention guidelines.	Fraud Manager / Corporate Fraud Team	31/03/2022		
9) To continue to develop data analytics within the Corporate Fraud Team using both CFS and IDEA.	Fraud Manager / Corporate Fraud Team	31/03/2022		
10) To implement the Regional Data Hub with Gateshead and Newcastle Councils, progressing the Digital Economy Act route.	Fraud Manager / Corporate Fraud Investigator	30/09/2021		
11) To review and develop further the Regional Data Hub. <ul style="list-style-type: none"><li>• Potential uses of hub:</li><li>• Data Matching – NFI replica</li><li>• Data Matching – Other</li><li>• Intelligence – Internal</li><li>• Intelligence – Cross boundary</li><li>• Verification Vetting</li><li>• RSLs data to be included</li></ul>	Fraud Manager	31/03/2022		

## COUNTER FRAUD OPERATIONAL PLAN

## Appendix 3

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments
12) To monitor and manage the current tenancy fraud SLAs.	Fraud Manager / Corporate Fraud Team	31/03/2022		
13) To monitor and manage all RTB verification SLAs.	Fraud Manager / Corporate Fraud Team	31/03/2022		
14) To develop further Strategic Commercial Partnerships.	Fraud Manager	31/03/2022		
15) Review CTRS Joint Working with the DWP.	Fraud Manager / Corporate Fraud Team	30/09/2021		
16) Collection and collation of information / data required for bi-annual reports to Audit Committee.	Fraud Manager	Audit Committee:  Full Report for 2020/21 (June 2021)  Update Report for 2021/22 (Nov 2021)		
17) Review the Partnership with Durham Constabulary and introduce any new innovative ideas.	Fraud Manager / Corporate Fraud Investigator	30/09/2021		
18) National Fraud Initiative 2020/21.	Fraud Manager / Corporate Fraud Investigator / Corporate Fraud Team	31/03/2022		
19) Develop a Fraud Risk Survey and Operational Fraud Risk Register.	Fraud Manager / Principal Risk Officer	30/09/2021		

## COUNTER FRAUD OPERATIONAL PLAN

## Appendix 3

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments
20) Continue to be involved and develop: <ul style="list-style-type: none"> <li>• North East Regional Investigation Officers Group (NERIOG) – Chair and Secretariat</li> <li>• North East Tenancy Fraud Forum (NETFF) – Joint Chair</li> <li>• Fighting Fraud and Corruption Locally (FFCL) - Regional Rep and Operational Board member</li> <li>• National Investigation Officers Group (NIOG) – Steering Group/Committee Member</li> </ul>	Fraud Manager	31/03/2022		
21) Progress and further develop the Fraud Communication Strategy.  To include: <ul style="list-style-type: none"> <li>• Internal/Employee Fraud</li> <li>• Schools</li> <li>• Procurement</li> <li>• Any new fraud risks</li> <li>• Continue with themed areas already included</li> </ul>	Fraud Manager / Comms Team	31/03/2022		
22) Monitor the team performance against the: <ul style="list-style-type: none"> <li>• Fraud Performance Framework (team and individual values and targets).</li> <li>• Review if the Performance Indicators are still relevant</li> <li>• Trends and Patterns to be included.</li> </ul>	Fraud Manager	31/03/2022		

## COUNTER FRAUD OPERATIONAL PLAN

## Appendix 3

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments
23) To progress the Counter Fraud Apprenticeship Durham Cohort.	Fraud Manager / Chief Internal Auditor and Corporate Fraud Manager	31/03/2022		
24) To review procurement fraud and grant fraud risks and develop a strategy to tackle these areas.	Fraud Manager / Corporate Fraud Team / Procurement Service	31/03/2022		
25) To develop a Fraud Risk Measurement and review the Fraud Team values.	Fraud Manager / Corporate Fraud Investigator / Corporate Fraud Team	31/03/2022		
26) To develop the Financial Investigators Role and embed this within the Team.	Fraud Manager / Corporate Fraud Investigator / Corporate Fraud Team	30/09/2021		
27) To review Durham becoming a pilot and/or member of the Counter Fraud Profession.	Fraud Manager	31/03/2022		
28) To review and develop a new Prosecution File Standard and Procedure.	Fraud Manager / Corporate Fraud Team	30/09/2021		
29) To review internal/employee Fraud and the Corporate Fraud Team involvement with criminal and disciplinary investigations.	Fraud Manager / Chief Internal Auditor and Corporate Fraud Manager / Corporate Fraud Team	31/03/2022		
30) To review and revise the Corporate Fraud Team Procedure Manual.  (include the review of the electronic request for information process and forms).	Fraud Manager / Chief Internal Auditor and Corporate Fraud Manager / Corporate Fraud Team	31/03/2022		

# Fraud and corruption tracker

National Report 2020



CIPFA COUNTER  
FRAUD CENTRE

# Contents

- 3** Foreword
- 4** Introduction
- 5** Executive summary
- 6** Main types of fraud
  - Council tax
  - Disabled parking (Blue Badge)
  - Housing
  - Business rates
- 12** Other types of fraud
  - Adult social care
  - Insurance
  - Procurement
  - No recourse to public funds/welfare assistance
  - Payroll, recruitment, expenses and pension
  - Economic and voluntary sector support and debt
  - Mandate fraud, manipulation of data and grant fraud
- 15** Serious and organised crime
- 15** Sanctions
- 16** Cyber fraud
- 16** Whistleblowing
- 17** Counter fraud structure
- 18** Focus of counter fraud function
- 19** Joint working and data sharing
- 20** Fighting Fraud and Corruption Locally (FFCL)
- 21** Impact of COVID-19
- 22** Recommendations
- 23** Appendices

# Foreword

The signature of Rob Whiteman, written in cursive ink.

**Rob Whiteman**  
Chief Executive, CIPFA

As managers of public resources, every public sector organisation has a responsibility to fight fraud and corruption. Successful organisational efforts to prevent, identify and manage various types of financial crime not only strengthens the state of public finances, but also mitigates moral and reputational risks across the public sector. During times of unprecedented uncertainty, the importance of these principles cannot be overstated.

Each year, the CIPFA Fraud and Corruption Tracker (CFaCT) aims to provide a current national picture of public sector fraud and corrupt activity help local authorities identify and implement mitigating actions. The tracker's findings provide valuable insights that help counter fraud practitioners in local government better understand national trends and emerging risks. Our intention is that the tracker serves as a resource for both public sector organisations and citizens who are invested in, and engaged with, their local communities.

Although the information in this year's report does not capture the impact of the ongoing coronavirus pandemic, it does provide useful insight about the local government landscape in the period prior to the national response effort.

This publication forms part of CIPFA's commitment to support the public sector and promote the principles of good governance and strong public financial management. Not only do our findings offer insight on the fraudulent activities that occur across the UK's public sector organisations, but the survey also highlights the important role that counter-fraud protocols play in the fight against fraud and corruption.

Understanding ever-changing risks can help public sector professionals increase their individual awareness, collaborate more effectively with others in the sector and take tailored action to prevent illegal activity from growing in the public sphere.

The survey was supported by:

**Fighting  
Fraud &  
Corruption**  
LOCALLY

**Local Government Association**

# The CIPFA Counter Fraud Centre

The CIPFA Counter Fraud Centre (CCFC), launched in July 2014, was created to fill the gap in the UK counter fraud arena following the closure of the National Fraud Authority (NFA) and the Audit Commission, and the subsequent transfer of benefit investigations to the Single Fraud Investigation Service (SFIS), run by the Department for Work and Pensions (DWP). It was named in the UK Government's 2014 Anti-Corruption plan and in the 2017-22 Anti-Corruption strategy as having a key role to play in combating fraud and corruption. We provide a range of services and solutions that measurably impact the fight against fraud in the public sector, and are committed to helping organisations prevent, detect and recover financial loss; protecting their reputation and developing counter fraud skills.

Our annual CIPFA Fraud and Corruption Tracker (CFaCT) survey is the definitive survey of fraud and corruption activity in local government. It tracks the levels of fraud and corruption local authorities have detected, the number of investigations undertaken and the types of fraud encountered. Understanding where fraud losses are occurring – and the actions being taken to stem the flow – is essential to helping senior leaders across the public sector understand the value of counter fraud activity.



## Acknowledgements

CIPFA would like to thank all the organisations that completed the survey along with those that helped by distributing the survey or contributing insights and best practices, including:

- LGA
- MHCLG
- NAO
- NCA
- SOLACE
- SLT
- Home Office
- The Fighting Fraud and Corruption Locally board

# Introduction

CIPFA recognises that each pound lost to fraud represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them. According to the Annual Fraud Indicator 2017, which provides the last set of government sanctioned estimates, fraud costs the public sector at least £40.3bn annually, with £7.3bn of this total being lost in local government.

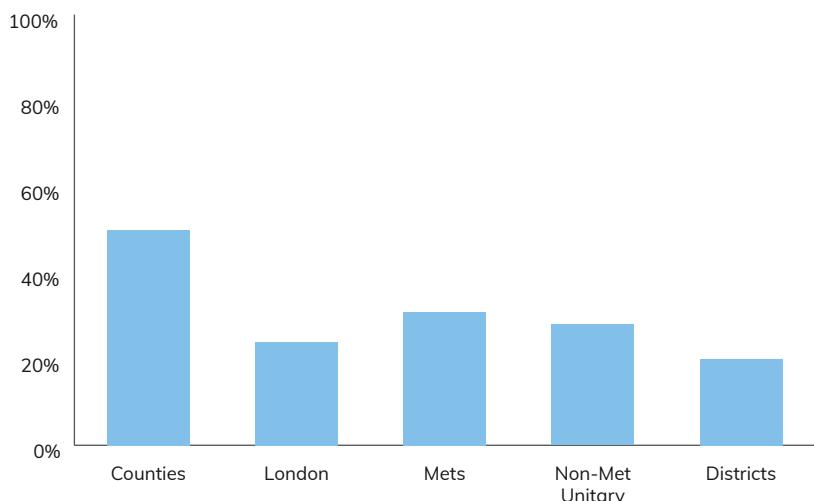
Fraud is a prevalent cause of concern in the public sector and continues to pose financial threats to local authorities. CIPFA's partners, such as the LGA, the NAO and Home Office, work towards new ways of finding solutions to the challenges that the public sector faces.

The sixth annual CIPFA Fraud and Corruption Tracker (CFaCT) survey was conducted in August 2020, with the aim of creating a national picture of the types and volume of fraud detected and prevented in local authorities. The results were collated from local authorities in all regions in the UK, allowing CIPFA to estimate the total figures for fraud across England, Scotland, Wales and Northern Ireland.

It should be noted that the response rate for the 2019/20 survey was significantly lower than previous years, which was to be expected, due to the impact of COVID-19 on local government resources. The figures mentioned in this report were captured in the time period before the pandemic and the data therefore represents what local authorities were experiencing before the COVID-19 outbreak.

Moreover, for each fraud breakdown, there was an additional option in this year's survey to record the 'overall number of cases identified' which may have included cases where fraud was not ultimately proven. The other option was to record the 'number of cases proven to be fraudulent' including cases where, following an investigation, action has taken place or a payment has been prevented and, on the balance of probabilities, fraud or corruption has

## Response rate



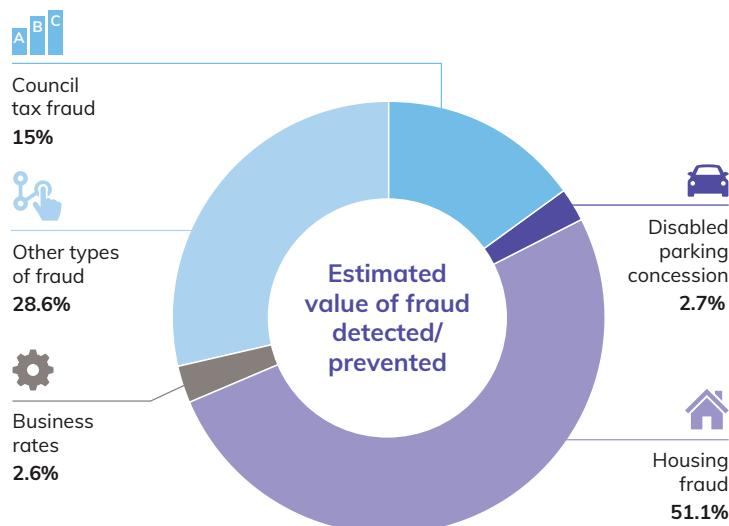
occurred. To enable comparisons with previous years' data, for consistency and the volumes mentioned refer to the number of cases proven to be fraudulent.

## This report highlights the following:

- the types of fraud identified in the 2019/20 CFaCT survey
- the monetary cost value of fraud in 2019/20
- the impact of counter fraud and prevention activities to improve the public sector budget
- the emerging risks and threats impacting the fraud and corruption landscape.

# Executive summary

For local authorities in the UK, CIPFA has estimated that the total value of fraud identified and prevented in 2019/20 is approximately £239.4m, which is an average value of £5,090 per fraud case. Last year, there was an estimated value of £253m with a lower average of £3,600 per case detected and prevented.

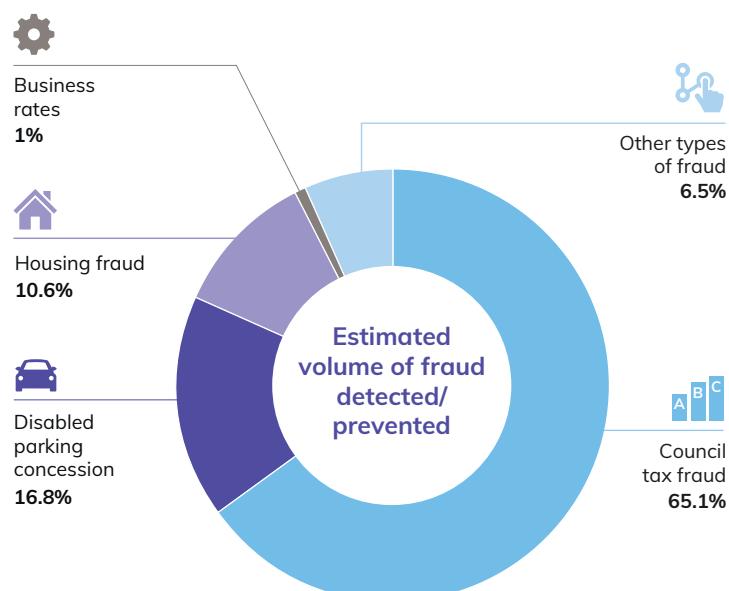


Councils reported that approximately 47,000 instances of fraud had been detected or prevented in 2019/20, which is lower than the approximation of 71,000 reported by CIPFA in 2018/19. Council tax fraud represents almost two thirds (65%) of these identified instances of fraud with an estimated value of £35.9m, followed by disabled parking concession (Blue Badge Scheme) and housing fraud which represent 17% and 11% of the total cases of UK public sector fraud, respectively.

This year, we also measured the impact of grant fraud (prior to the COVID-19 grant disbursement), which represents 0.3% of the total identified instances of UK public sector fraud and 15% of the total value (£36.6m).

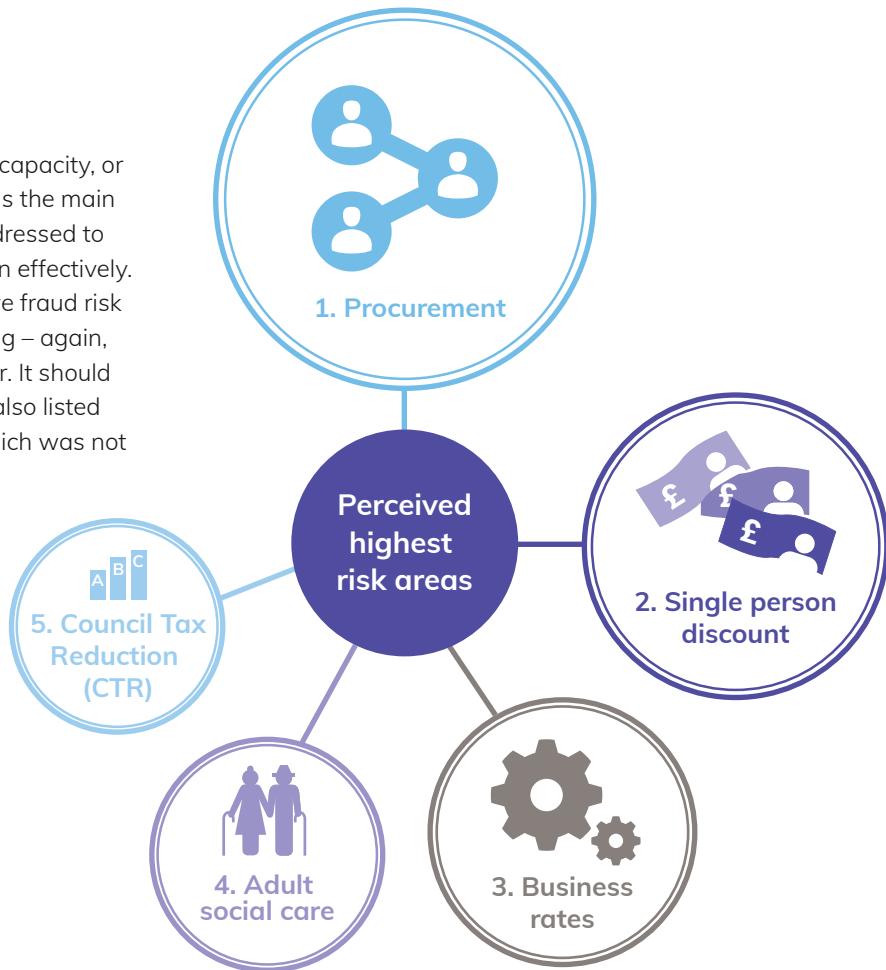
The largest growing fraud area is housing tenancy (other), with an estimated £60.1m lost in 2019/20 compared to £47.7m in 2018/19. This is followed by council tax single person discount (SPD) which has an estimated increase of £9.6m to an estimated value of £29.0m for cases detected/prevented in 2018/19.

The two highest perceived fraud risk areas for 2019/20 are the same as last year: procurement and council tax SPD. This shows these are the areas that require strict controls and support. The perceived third, fourth and fifth highest fraud risk areas are business rates, adult social care and council tax reduction (CTR) respectively.



Survey results show that nationally, capacity, or sufficient counter fraud resource, was the main perceived issue that needs to be addressed to tackle the risk of fraud and corruption effectively. This was followed closely by effective fraud risk management and better data sharing – again, following the same trend as last year. It should be noted that multiple respondents also listed ‘increased awareness’, an option which was not originally considered in the survey.

Results from respondents indicate that they expect to increase the number of counter fraud specialist staff by 5% in 2021.



# Major fraud areas

For 2019/20, the CFaCT survey has shown that the four main areas of fraud (by volume) that local authorities are tackling are:

- council tax
- disabled parking (Blue Badge)
- housing
- business rates.

## Council tax

Council tax continues to be the largest area of identified fraud in the last six years and is the top fraud risk area for district and unitary councils, 57% and 32% respectively. This is likely a result of the targeted effort by authorities to identify fraud that has a direct impact on their income. Data matching and analytic exercises continue to reap rewards and will continue to improve as authorities work smarter and use tools made available to them. The total number of council tax fraud cases identified by participating local authorities, which may not have ultimately proven to be fraudulent, was 24,105.

volume/low value area continues to be a leading trend each year, where there are many incidents of smaller value, requiring higher vigilance on a more frequent basis.

Since 2018/19, the estimated number of council tax cases proven to be fraudulent has decreased by 45%, while the estimated value has increased by £5.3m. This may be evidence that in proven cases offenders are less likely to reoffend. It may also be an indicator that fraud risk exercises continue to identify the high volume/low value frauds year on year, with more effort being focussed on the long-term offenders, or that more authorities are choosing to claw back fraudulent discounts from previous billing periods.

Since 2017/18, the cases pertaining to single person discount (SPD) have decreased yearly; there is a vast difference of 20,069 (46%) between the 2018/19 and 2019/20 volumes. Nonetheless, the money lost to SPD fraud has increased by £9.5m. The opposite is seen for council tax reduction (CTR) and other council tax-related fraud, where the values have decreased by £2.3m and £2.1m respectively.

The overall estimated value of council tax fraud has continued to increase, primarily due to the increase in the value of cases for SPD fraud detected in 2019/20.

### Estimated council tax fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
SPD	46,278	£15.8m	44,051	£19.4m	23,982	£28.9m
CTR	8,759	£6.1m	8,973	£7.2m	3,845	£4.9m
Other	2,857	£4.5m	2,831	£4.0m	2,794	£1.9m
<b>Total</b>	<b>57,894</b>	<b>£26.3m</b>	<b>55,855</b>	<b>£30.6m</b>	<b>30,622</b>	<b>£35.9m</b>

Though the volume of cases proven to be fraudulent is significantly higher when compared to other fraud risk areas, Council tax does not represent the highest cumulative value amongst all surveyed types of fraud, estimated to total £35.9m. This high



## Disabled parking (Blue Badge)

The survey identified fraud from the misuse of the Blue Badges scheme was one of the steadily increasing fraud risk areas. The estimated number of cases proven to be fraudulent has increased by 938, and the national estimated average value per case increased from £661 to £811 in 2019/20.

This indicates that though procurement, council tax SPD and adult social care are identified nationally as the three main fraud risk areas, Blue Badge fraud is an area of increasing risk and prominence.



## Housing and tenancy fraud

In relation to housing fraud, councils record the income lost using different valuations, ranging from a notional cost of replacing a property to the average cost for keeping a family in bed and breakfast accommodation for a year. These differences in approach can make it hard to formulate clear comparisons. On a national scale, the value of fraud detected or prevented will be looked at in two ways:

- if the cases were pertaining to new build accommodation
- if the cases were pertaining to temporary accommodation.

If the cases were regarding new build accommodations, there would be an average of £150,000 per fraud case, in comparison to £18,000 if they were pertaining to temporary accommodation. This can be further explored by looking at the comparison by tier.

Before 2019/20, there was a steady decline of around 20% a year in the number of housing and tenancy related frauds detected or prevented. However, this year there was an increase of 37% overall.

While illegally sublet properties and right to buy frauds continue to fall year on year, the volume of other housing fraud such as succession and application fraud has increased significantly. This

is predominantly down to the continued efforts to review housing tenancies, including proactive exercises and conducting appropriate due diligence on applications.

### Estimated housing fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Right to buy	1,518	£92.0m	652	£46.0m	584	£30.7m
Illegal sublet	1,051	£55.8m	826	£41.8m	605	£31.6m
Other *	2,164	£68.3m	2,154	£47.7m	3,802	£60.1m
<b>Total</b>	<b>4,733</b>	<b>£216.1m</b>	<b>3,632</b>	<b>£135.6m</b>	<b>4,991</b>	<b>£122.4m</b>

\* Other includes tenancy frauds that are neither right to buy nor illegal sublet and may include succession and false applications.



## Business rates

Business rate fraud represents 1.0% of the total estimated number of cases proven to be fraudulent in 2019/20. This represents a marginal decrease from the previous year's figure of 2.0% and is reflected in the fact that the estimated loss decreased from £8.0m in 2018/19 to £6.2m this year.

Nonetheless, it was recorded as the third highest fraud risk area on a national scale, as well as fourth highest specific to districts.

# Other types of fraud

This part of the report examines the survey responses related to other notable frauds that did not emerge as major types of fraud within the national picture. This section includes the following fraud types:

- adult social care
- insurance
- procurement
- no recourse to public funds/ welfare assistance
- payroll, recruitment, expenses and pension
- economic and voluntary sector support and debt
- mandate fraud, manipulation of data and grant fraud.



## Adult social care

Adult social care is viewed by survey respondents to be the fourth highest fraud risk area. Over the past year, the average value per adult social care fraud has decreased by £11k, following the trend seen in years prior to 2018/19.

Generally, the total volume and value of estimated fraud cases have decreased to 460 cases and £8.2m respectively, but the volume of personal budget frauds has increased by 30% in the past year. Nonetheless, the estimated value for personal budget frauds is £4.9m – lower than the estimated 2018/19 value.

Other fraud also showed a decline in the numbers of cases proven to be fraudulent.

### Estimated adult social care fraud

	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Personal budget	334	£3.3m	234	£9.6m*	306	£4.9m
Other	403	£3.4m	246	£4.1m	154	£3.3m
<b>Total</b>	<b>737</b>	<b>£6.7m</b>	<b>480</b>	<b>£13.7m*</b>	<b>460</b>	<b>£8.2m</b>
<b>Average value per fraud</b>		<b>£9k</b>		<b>£29k*</b>		<b>£18k</b>

\* Please note that this figure is made up predominantly of a handful of authorities and though it is not comparable, it shows the scope of fraud possible in this area.



## Insurance fraud

This year's survey found an estimated number of 349 insurance fraud cases with a value of £3.9m. Since last year, the estimated insurance fraud case value has more than halved. However, the figure for 2019/20 is very similar to the estimated value from 2017/18 of £3.5m.

A respondent who identified insurance fraud also reported one confirmed insider fraud case with a

combined value of £9.2k – a significant drop from last year's combined value of £43k.

Considerable work has been done in the area of insurance fraud, and insurance companies are working with local authorities to develop new ways to identify fraud and abuse within the system, which seems to be effective given the steady decline in volume and value of cases reported.



## Procurement fraud

For the fourth year in a row, procurement fraud was perceived to be the highest fraud risk area. This year, there was an estimated number of 87 prevented procurement frauds, with 8% of cases reported as insider fraud. This is a continued decline from 125 estimated fraudulent cases with a value of

£20.3m in 2018/19, and 142 cases with a value of £5.2m in 2017/18. It is widely accepted that procurement fraud continues to be the hardest type of fraud to detect, can be very high in value and difficult to prove.

On 8 June 2020, the Ministry of Housing, Communities and Local Government published a review into risks of fraud and corruption in local government procurement.

It reported that councils in England spend around £55bn a year on goods, work and services. A survey conducted as part of the review showed 23% of respondents reported fraud and/or corruption in the procurement lifecycle during the 2017 to 2018 financial year.

### Estimated procurement fraud

2017/18		2018/19		2019/20	
Volume	Value	Volume	Value	Volume	Value
142	£5.2m	125	£20.3m*	87	£1.5m

\* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



## Welfare assistance and no recourse to public funds

In 2019/20, the estimated number of fraud cases related to welfare assistance increased significantly to 307. Estimates for 2018/19 and 2017/18 approximated 24 and 109 cases respectively.

2019/20 saw the number of no recourse to public funds cases increase to an estimated figure of

193; the previous year's figure had declined to an estimated volume of 148, from a volume of 334 in 2017/18. This is mainly due to the reduction in the number of respondents who detected and prevented fraudulent activity in this area.



## Economic and voluntary sector support and debt

There was only one economic and voluntary sector support fraud case reported by local authorities in this survey, with a value of £25,000. In the 2017/18 survey, there were 24 actual cases of fraud reported with an average estimated loss of £14,000 per case. These figures decreased in 2018/19, with six actual cases of fraud reported and an average value per fraud loss of £4,000.

The number of reported cases of debt has significantly dropped to just three, with a fraud loss of £82,600, in comparison with 53 reported in 2018/19 valued at over £495,000.



## Payroll, expenses, recruitment and pension

The total value of fraud loss for all four areas in 2019/20 is an estimated £0.82m, a very significant decrease from 2018/19, where there was a total estimated loss of £9.42m. The inflated figure in

2018/19 is due to one incident of payroll fraud prevented by a local authority.

Measuring the cost of these frauds can be quite difficult as they carry implications that include reputational damage, the costs of further recruitment and investigations into the motives behind the fraud. As a result, some organisations could be less likely to investigate or report investigations in these areas.

Payroll had the highest volume of fraud out of these four areas (payroll, expenses, recruitment and pension) for each year since 2016/17. In 2019/20, the area with the highest estimated average per case was pensions with £13,278, followed by recruitment fraud with an estimated average per case of £4,797.

### Estimated fraud

Type	2017/18		2018/19		2019/20	
	Volume	Value	Volume	Value	Volume	Value
Payroll	167	£1.01m	168	£8.77m*	113	£0.30m
Expenses	34	£0.03m	32	£0.04m	69	£0.12m
Recruitment	52	£0.49m	33	£0.38m	16	£0.08m
Pension	164	£0.57m	153	£0.23m	24	£0.32m
<b>Total</b>	<b>417</b>	<b>£2.10m</b>	<b>386</b>	<b>£9.42m*</b>	<b>222</b>	<b>£0.82m</b>

\* Please note this figure is attributable to mainly one organisation and though it is not comparable to other respondents, it shows the scope for fraud in this area.



## Mandate and grant fraud

In 2019/20, CIPFA estimates that there have been 344 cases of mandate fraud across the UK, which is a slight increase from the estimate of 322 in 2018/19.

This year, an extra section for grant specific fraud was added to the survey. Overall, there was an estimated number of 161 grant frauds, with a fraud loss value of £36.6m. The additional fraud type was

included in this year's survey to separate reported figures from expense fraud, so we have some specifically reported grant fraud to compare with the 2020/21 results, when COVID-19 grant fraud will be reported.

# Serious and organised crime

Organised crime often involves complicated and large-scale fraudulent activities which cross more than one boundary, such as payroll, mandate fraud, insurance claims, business rates and procurement. These activities demand considerable resources to investigate and require organisations to co-operate in order to successfully bring criminals to justice.

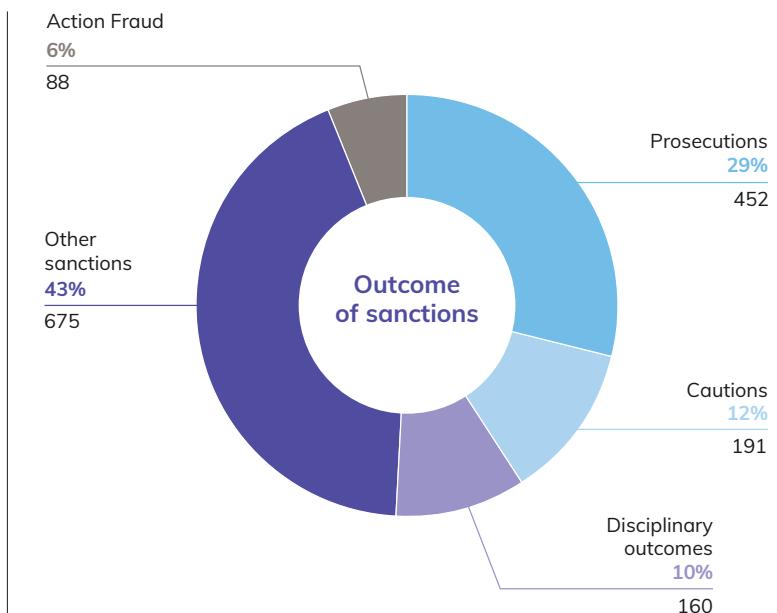
The responses show that councils share a significant amount of data both internally and externally, with 73% sharing data with the Cabinet Office/National Fraud Initiative, 52% sharing data with the police and 51% sharing data with their peers (other similar organisations).

In addition, of the organisations that responded, 35% identified serious and organised crime within their organisation's risk register and 52% reported that their counter fraud and corruption plan includes serious and organised crime risks.

## Sanctions

The following shows some of the key findings from sanctions that were being used in 2019/20:

- 452 prosecutions were completed in 2019/20 and of those, 10 involved insider fraud. All these insider fraud cases were found guilty.
- The number of cautions as a proportion of the total sanctions reduced from 13% in 2017/18 to 7% in 2018/19 but increased to 13% again in 2019/20.
- The percentage of other sanctions increased from 46% in 2017/18 to 55% in 2018/19. Over the past year, this proportion decreased to 46% again.



# Cyber fraud

Results from the CFaCT survey show that 82% of respondents underwent a cyber/e-fraud risk assessment during or after 2019/20. More than three quarters (78%) state that the IT team/Senior Information Risk Owner (SIRO) is responsible for the management of cyber risk in their organisation, matching last year's figure.

One third (32%) of respondents stated that their organisation had been a victim of hacking/Distributed Denial-of-Service (DDOS) attacks in the last month, an increase of 5% over the past year.

In response to the threat of cyber-crime against local government, the LGA has set up a cyber security programme and a stakeholder group, working together to address the issues of cyber-crime.

The LGA programme received three years of funding from the National Cyber Security Programme (NCSP) in 2018 to support councils in remaining safe and secure from cyber-attacks and to have the appropriate arrangements in place to deal effectively with a cyber-incident should it occur, ie both prevention and response.

# Whistleblowing

This year, 64% of respondents reported that they annually reviewed their whistleblowing arrangements in line with the [ISO 37002 "Whistleblowing Management Systems" guidelines](#).

Of those questioned, 85% confirmed that staff and the public had access to a helpdesk and 66% said that the helpline conformed to the ISO 37002 guidelines.

Respondents reported a total of 486 whistleblowing cases logged, made in line with the ISO 37002 *Whistleblowing Management Systems* guidelines.

This is an average of six cases logged per authority, which equals the 2018/19 figure. The majority of cases logged by respondents were in metropolitan districts.

# Counter fraud structure

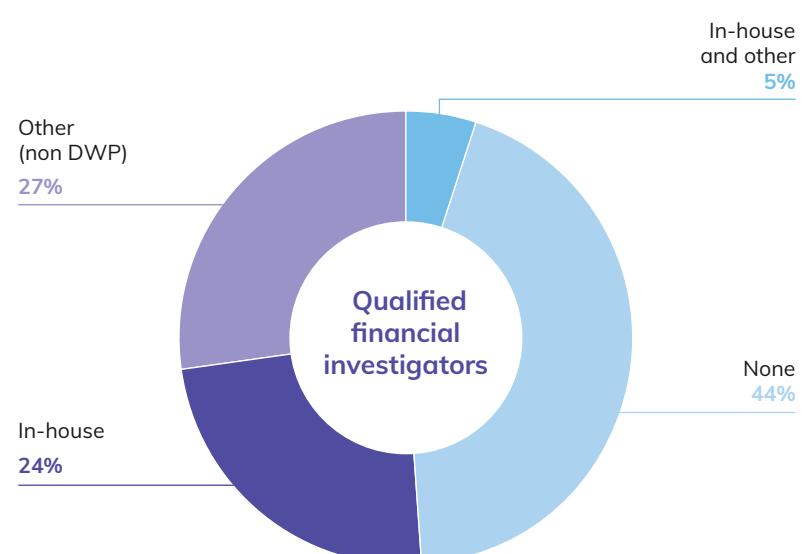
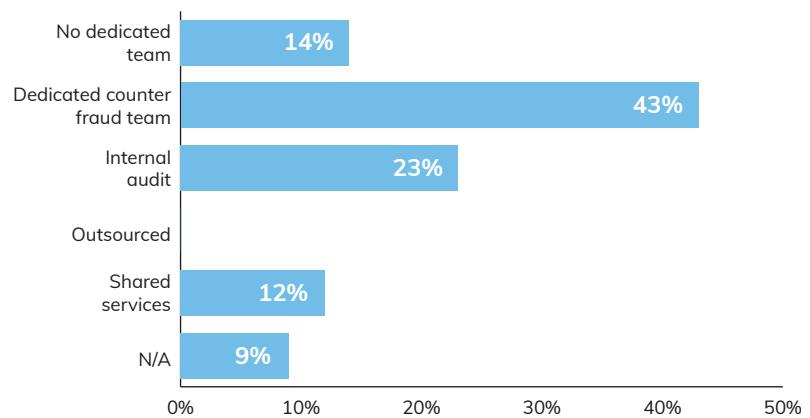
Fraud teams across local government continue to detect and prevent a significant amount of fraud, although having sufficient counter fraud resources is the main perceived issue that needs to be addressed to tackle fraud. Councils are responding to this and expect the number of counter fraud specialist staff to grow by around 5% in the next year, with a small increase of 3% in 2022.

In addition to the reductions in resources, having a shared services structure has decreased this year to 12%, in comparison with 19% of respondents who reported having a shared services structure in 2018/19.

There has been a slight increase in the proportion of authorities that have a dedicated counter fraud team, from 40% in 2018/19 to 43% in 2019/20. However, it is worth noting there may be a potential bias in this figure as those who have a dedicated counter fraud team are more likely and able to return data for the CFaCT survey.

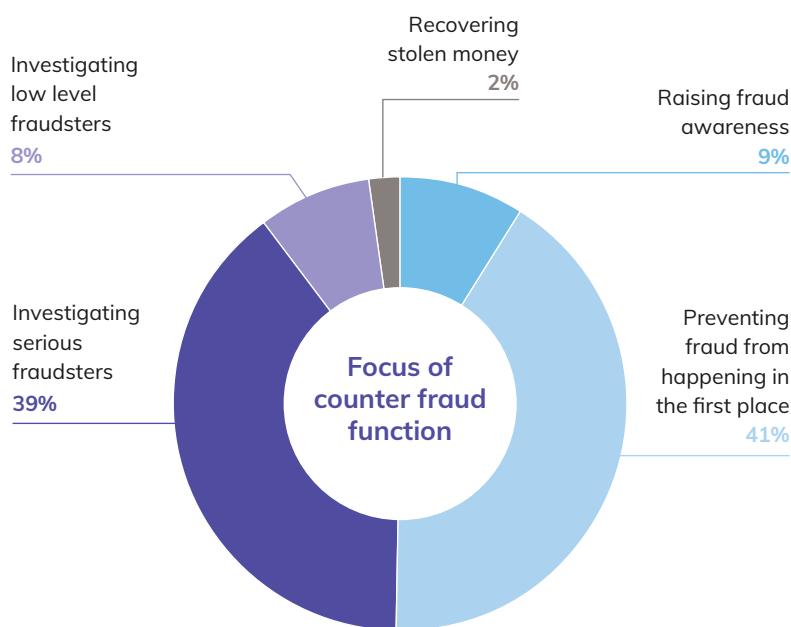
In 2019/20, the proportion of authorities that have available in-house qualified financial investigators was 24%. In addition, the percentage of authorities that have a non-DWP qualified financial investigator increased from 23% in 2018/19 to 27% in 2019/20. However, the proportion of authorities that do not have a qualified financial investigator available to their organisation has increased slightly from 43% last year to 44% this year, showing the potential strain on resources.

Counter fraud structure breakdown



# Focus of counter fraud function

A new section was added to this year's survey, where local authorities were asked to identify the main priority of their counter fraud function.



The greatest proportion of respondents (41%) reported that the most important priority was 'preventing fraud from occurring in the first place' and the second most important was 'investigating serious fraudsters' with 39%. In comparison, the area that was seen to have the least importance, with no authorities listing this as a priority, was 'gathering intelligence'.

The other options included were recovering stolen money, investigating low level fraudsters and raising fraud awareness.

# Joint working and data sharing

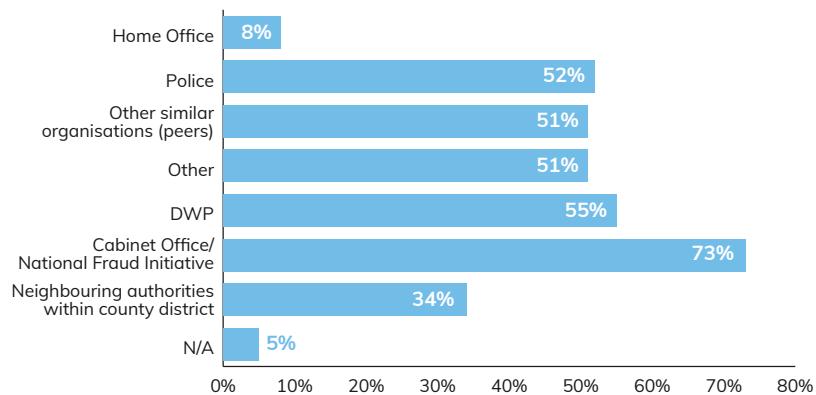
85% of survey respondents stated that they share data internally, mainly with housing, council tax and revenue and benefits departments.

Eighty two per cent of local authorities share data externally – a decrease of 14% since 2018/19. This data is mainly shared with Cabinet Office/National Fraud Initiative (73%), the DWP (55%), police (52%) or other authorities/similar organisations (51%).

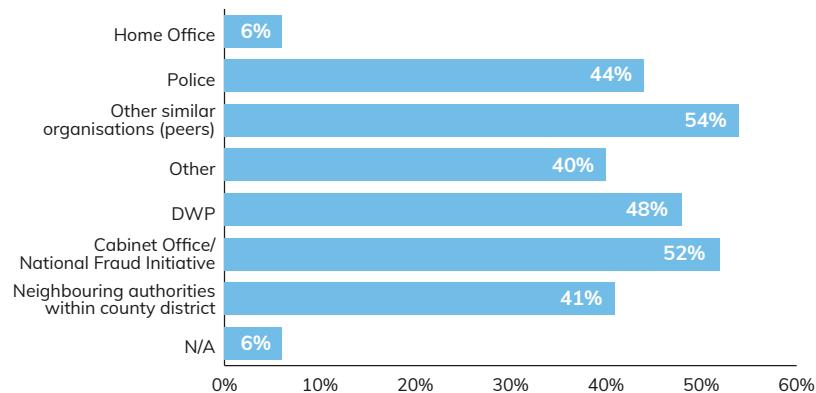
The sort of data that is shared relates to persons of interest, areas of interest and emerging frauds. Some authorities also highlighted that the data they share is for data matching purposes.

Of the CFaCT respondents, 54% say they work jointly with other similar organisations/peers, 52% work with the Cabinet Office/National Fraud Initiative, 48% with the DWP and 44% with the police. Further breakdown is shown in the charts to the right.

## Share/exchange data with:

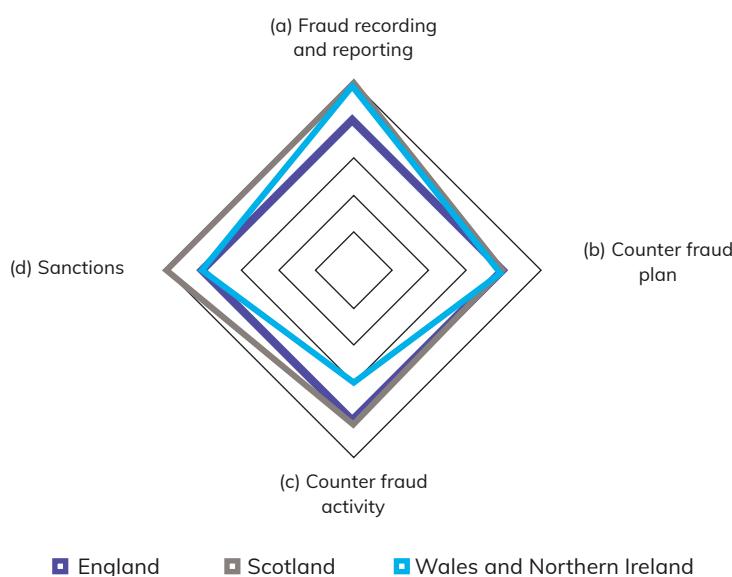


## Work jointly with:



# Fighting Fraud and Corruption Locally

The FFCL strategy 2016-2019, developed by local authorities and counter fraud experts, was the definitive guide for local authority leaders, chief executives, finance directors and all those with governance responsibilities for the period covered by this survey. The strategy has since been reviewed and replaced with the Fighting Fraud and Corruption Locally 2020 strategy. It provides a blueprint for a coordinated response to fraud and corruption perpetrated against local authorities with the support of those at the top.



This strategy is available for councils to use freely so that everyone can benefit from shared good practice, and is aimed specifically at local authority leaders. It provides advice on how to lead and communicate counter fraud and corruption activity for the greatest impact, as well as covering resource management and investment in counter fraud operations.

To measure the effectiveness of the initiatives in the 2016-2019 strategy, the FFCL board included questions in the CFaCT survey and

the results are shown below. The questions ask respondents whether they agree or disagree that their organisation is carrying out certain actions, based on FFCL recommendations. The diagram to the left illustrates the results: lines closest to the outside edge indicate strong agreement while those towards the centre indicate disagreement.

For the 2019/20 survey, a few additional questions were added to this section, with regards to resources, staff and training.

When asked if their organisation secured appropriate training for fraud practitioners in line with agreed professional standards, for all types of investigation, a significant proportion (81%) of local authorities said they did.

More than two thirds (71%) of authorities employ staff who are suitably qualified and trained to undertake counter fraud investigations.

Respondents were also asked to select what they perceived to be the most important strategies for countering fraud in the future. Local authorities reported that 'managing evolving risks' and 'ensuring staff are trained' are the most important strategies. The additional strategies listed in the questionnaire were increased funding, leadership, technology and working in partnerships.

# Impact of COVID-19

It should be noted that the CFaCT survey covers the pre-pandemic period of 2019/20 and therefore the data in this report represents what local authorities were experiencing before the outbreak in 2020. However, a qualitative question was added to the 2019/20 survey regarding the observed impact of COVID-19 on any fraudulent behaviours in local government. Key themes emerging from responses were:

- Instances of potential frauds involving empty properties where fraudsters were claiming to occupy with the intention of claiming business grants.

These included applications from those that traditionally would not have considered committing any fraud offences now feeling financially pressured to do so, owing to the downturn in the economy.
- Adult social care services being exploited during a time where resources are limited and usually robust assessments such as home visits not being possible due to health risks.
- Parents and carers of children in receipt of free school meals being targeted by fraudsters who email with messages to harvest bank details with a promise to help with funding while the school is closed.
- The risk of fraudsters impersonating key personnel in both the purchase and supply chain in an attempt to commit mandate fraud has significantly increased with staff predominantly working from home. It has become more difficult to validate supplier details while pressures to process payments at speed have increased, therefore usually robust controls are weakened.
- The inability of councils to tackle usual areas of fraud due to resources being re-directed into the processing and review of business grants associated with COVID-19. This has restricted the ability to tackle fraud face-to-face, including visits and interviews due to public health concerns and uncertainty over the legality of conducting remote interviews under caution.

# Recommendations

## CIPFA recommends

- The cumulative value of fraud prevented/detected by local authorities continues to decline year-on-year. Local authorities must remain vigilant and determined in identifying and preventing fraud, raising the awareness of fraud risk across all areas of service delivery and all levels of the organisation.
- This year's findings show that a dedicated counter fraud team remains the preferred method of delivery amongst respondents, and although there has been a slight reduction in the number of shared services reported, it remains important for organisations to work collaboratively with their neighbours and business partners, share resources, skills and best practice to effectively detect and prevent fraud.
- There has been a 14% reduction since 2018/19 in the volume of local authorities share data externally and only 73% of authorities sharing data with the Cabinet Office/National Fraud Initiative. Public sector organisations should maximise opportunities to share data where these initiatives are made available and explore and invest in additional innovative use of data sharing and fraud prevention technology, reducing the risk of loss through fraud.
- This year the majority of authorities reported fraud prevention as their main priority with none listing intelligence gathering at any level. Authorities should reconsider the value of intelligence in connection with identifying fraud risk, informing and focusing their planned activity and helping protect the organisation, therefore further preventing fraud.
- The level of whistleblowing allegations received this year remained constant with 2018/19 and 85% of authorities confirmed that staff and the public had access to a helpdesk. CIPFA recommends active publicity campaigns across all levels of the organisation to ensure staff are aware of whistleblowing procedures and accessibility to supporting services.
- Cyber security continues to increase in importance relative to the increase in remote working and electronic service application. Where controls need to be strengthened authorities should seek assistance from the LGA's cyber security programme stakeholder group.
- The new Fighting Fraud and Corruption Locally 2020 strategy has been released and councils are encouraged to review their working practices against the FFCL checklist, strengthening controls where weakness is identified.

# Appendix 1: Fraud types and estimated value/volume

The table below shows the types of frauds reported in the survey and the estimated volume and value during 2019/20.

Types of fraud	Fraud cases	% of the total	Value	% of the total value	Average
Council tax frauds	30,622	65.4%	£35.9m	15.0%	£1,173
Disabled parking concession	7,889	16.8%	£6.4m	2.7%	£809
Housing frauds	4,991	10.7%	£122.4m	51.1%	£24,534
Business rates	476	1.0%	£6.2m	2.6%	£13,126
Other types of fraud	2,865	6.1%	£68.5m	28.6%	£23,890
Adult social care	460	1.0%	£8.2m	3.4%	£17,767
Insurance claim	349	0.7%	£3.9m	1.6%	£11,271
Mandate fraud	344	0.7%	£9.4m	3.9%	£27,227
Welfare assistance	307	0.7%	£0.2m	0.1%	£684
Schools frauds (excl. transport)	211	0.5%	£0.2m	0.1%	£1,174
No recourse to public funds	193	0.4%	£2.2m	0.9%	£11,132
Grant fraud	161	0.3%	£36.6m	15.3%	£226,997
Payroll	113	0.2%	£0.3m	0.1%	£2,629
Procurement	87	0.2%	£1.5m	0.6%	£16,696
Expenses	69	0.2%	£0.1m	0.1%	£1,743
Children's social care	40	0.1%	£0.4m	0.2%	£9,903
Pensions	24	0.1%	£0.3m	0.1%	£13,278
Recruitment	16	0.0%	£0.1m	0.0%	£4,797
Debt	11	0.0%	£0.3m	0.1%	£27,533
School transport	6	0.0%	£0.2m	0.1%	£32,750
Economic and voluntary sector support	4	0.0%	£0.1m	0.0%	£25,000
Investments	0	0.0%	na*	na*	na*
Manipulation of data	0	0.0%	na*	na*	na*

\*The figures for investments and manipulation of data are not available as no responses were received and thus the amount is not representative of the national average. In addition, these figures are affected by few councils who had high value frauds not indicative of the national average.

# Appendix 2: Methodology

This year's results are based on responses from 98 local authorities. An estimated total volume and value of fraud has been calculated for all local authorities in England, Wales, Scotland and Northern Ireland. Missing values are calculated according to the size of the authority and, for each type of fraud, an appropriate universal measure of size has been selected such as local authority housing stock for housing frauds.

From the responses, the number of cases per each unit of the measure is calculated and used to estimate the missing values. Then, for each missing authority, the estimated number of cases is multiplied by the average value per case provided by respondents to give an estimated total value. As an illustration, if the number of housing frauds per

house is 0.01 and a missing authority has 1,000 houses in its housing stock, we estimate the number of frauds as 10. If the average value per case is £100,000 then the total estimated value of fraud for that authority is £1m.

# Appendix 3: Glossary

Definitions below are taken from CIPFA's CFaCT survey, AFI and other government sources.

## **Adult social care fraud:**

Adult social care fraud can happen in a number of ways but the increase in personal budgets gives a greater opportunity for misuse.

## **Investigations cover cases where:**

- direct payments were not being used to pay for the care of the vulnerable adult
- care workers were claiming money for time they had not worked or were spending the allocated budget inappropriately.

## **Blue Badge:**

The Blue Badge is a Europe-wide scheme entitling holders of the permit to parking concessions. This scheme is locally administered and badges issued to those with disabilities so they can park nearer to their destination.

At present, a badge issued to a deceased person is classified as fraudulent, even if it is not being used for fraudulent purposes.

## **Business rates fraud:**

Business rates fraud is not a transparent landscape for the fraud investigator, with legislation making it difficult to separate evasion and avoidance. Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties, and fraud staff may be used to visit properties in question.

## **Cautions:**

Cautions relate to a verbal warning given in circumstances where there is enough evidence to prosecute, but it is felt that it is not in the public interest to do so in that instance.

## **Council tax fraud:**

Council tax is the tax levied on domestic properties and collected by district and unitary authorities in England and Wales and levying authorities in Scotland.

Council tax fraud is split into three sections:

- Council tax single person discount – where a tenant claims to be the only adult resident to be eligible for a 25% discount when in fact other adults reside in the property.
- Council tax reduction support – where the council tax payer fails to declare their income correctly.
- Other types of council tax fraud – eg claims for exemptions or discounts to which the council tax payer has no entitlement.

## **Debt fraud:**

Debt fraud includes fraudulently avoiding a payment of debt to an organisation, excluding council tax discount.

## **Disciplinary outcomes:**

Disciplinary outcomes relate to the number of instances where as a result of an investigation by a fraud team, disciplinary action is undertaken, or where, a subject resigns during the disciplinary process.

## **Economic and voluntary sector (grant fraud):**

This type of fraud relates to the false application or payment of grants or financial support to any person and any type of agency or organisation.

### **Housing fraud:**

Fraud within housing takes a number of forms, including sub-letting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, abandonment, and right to buy fraud.

### **Insurance fraud:**

Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers.

### **Mandate fraud:**

Action Fraud defines mandate fraud as "when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier".

### **Manipulation of data fraud:**

The majority of manipulation of data frauds relate to employees changing data in order to indicate better performance than actually occurred and staff removing data from the organisation. It also includes individuals using their position to change and manipulate data fraudulently or in assisting or providing access to a family member or friend.

### **No recourse to public funds:**

No recourse to public funds prevents any person with that restriction from accessing certain public funds. A person who claims public funds despite such a condition is committing a criminal offence.

### **Organised crime:**

The widely used definition of organised crime is one planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.

### **Payroll fraud:**

Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime claims.

### **Procurement fraud:**

The procurement of goods and services often accounts for a significant proportion of an organisation's expenditure and is open to a wide range of potential fraud risks. This is because there are usually multiple individuals involved in a process who often do not work closely together: ie the person who wants something purchased does not always work directly with the people who initiate orders and with those responsible for paying.

This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person(s) or organisations in the 'purchase to pay' or post contract procedure, including contract monitoring.

### **Recruitment fraud:**

Recruitment fraud includes applicants providing false CVs, job histories, qualifications, references, immigration status (ie the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status.

### **Right to buy:**

Right to buy is the scheme that allows tenants who have lived in their properties for a qualifying period the right to purchase the property at a discount. Fraud is committed when an applicant has made false representations regarding the qualifying criteria, such as being resident in the property they are purchasing for a 12 month continuous period prior to application.

### **Welfare assistance:**

Organisations have a limited amount of money available for welfare assistance claims so the criteria for applications are becoming increasingly stringent. Awards are discretionary and may come as either a crisis payment or some form of support payment.

### **Whistleblowing:**

Effective whistleblowing allows staff or the public to raise concerns about a crime, criminal offence, miscarriage of justice or dangers to health and safety in a structured and defined way. It can enable teams to uncover significant frauds that may otherwise have gone undiscovered. Organisations should therefore ensure that whistleblowing processes are reviewed regularly.

[cipfa.org](http://cipfa.org)

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