



Report of Paul Darby, Corporate Director of Resources

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To present the Annual Protecting the Public Purse Report, which informs Members of the work that has been carried out by the Corporate Fraud Team during the period 1 April 2022 to 31 March 2023.

Executive Summary

- 2 The report provides Members with an overview of the progress that has been made by the Corporate Fraud Team during 2022/23 and up to 31 March 2023 and provides as update on:
 - (a) The Corporate Fraud Team and their role in the council;
 - (b) A summary of the Counter Fraud and Corruption Strategy and how it is delivered;
 - (c) A summary of the team's performance across 2022/23; and
 - (d) A forward look into 2023/24 highlighting the teams' operational priorities and work plan for the current year.
- 3 The appendices attached to this report are summarised below. Appendix 5 marked with an asterisk is not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3).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 2022/2023
 - (b) Appendix 3 – Corporate Fraud Team Performance Management Framework 2023/24
 - (c) Appendix 4 – Corporate Fraud Team Operational Plan 2023/24

- (d) Appendix 5* – Summary of potential internal corporate fraud and ongoing investigations.

Recommendations

- 4 Members are asked to note the contents of the Annual Protecting the Public Purse Report 2022/23 including:
 - (a) The work carried out by the Corporate Fraud Team over the last year.
 - (b) The numbers and values of fraud identified in 2022/23 (Appendix 2):
 - (c) Performance Management Framework 2023/24 (Appendix 3) and Corporate Fraud Team Operational Plan 2023/24 (Appendix 4)

Background

- 5 The Corporate Fraud Team sit within the councils Internal Audit, Risk and Corporate Fraud service and are responsible for investigating cases of suspected internal and external fraud, as well as assisting with counter fraud activities across the council.
- 6 The work of the team includes investigations into potential:
 - Council tax reduction fraud – including single person discount fraud and other council tax frauds;
 - Business rates fraud;
 - Employee fraud;
 - Fraud in our schools;
 - Fraud and abuse of the Blue Badge scheme;
 - Direct payment fraud;
 - Insurance fraud;
 - Grant fraud including assisting teams with post assurance and pre-payment checks where required; and
 - Procurement fraud.
- 7 The team also investigate potential tenancy fraud for Believe Housing, Gentoo Homes, and Livin' Housing and investigate potential right to buy and right to acquire fraud through verification checks for Bernicia Homes, Karbon Homes and Gentoo Homes.
- 8 The team works closely with colleagues in People and Talent Management to review and support disciplinary investigations and employee complaints.
- 9 The team also work closely with partners in central government and local law enforcement to coordinate a comprehensive counter fraud response for the council.
- 10 The team consists of five Corporate Fraud Investigators, a Corporate Fraud Assistant and a Fraud Apprentice, supporting a Fraud Manager reporting to the Chief Internal Auditor and Corporate Fraud Manager.
- 11 The latest Counter Fraud and Corruption Strategy was published in November 2022 and sets out a framework of how we respond to this threat and further improve our counter fraud work.

Our Strategic Objective

To ensure the proper use and protection of public funds and assets.

To achieve this, our Counter Fraud and Corruption Strategy set's 5 pillars of activity

Our key pillars of activity				
Govern	Acknowledge	Prevent	Pursue	Protect
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Acknowledging and understanding fraud risks and committing support and resource to tackling fraud to maintain a robust anti-fraud response.	Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes, and developing a more effective anti-fraud culture.	Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability to investigate fraudsters, and a supportive local enforcement response.	Protecting against serious and organised crime, individuals from becoming victims of crime and against the harm that fraud can do to the community. Protecting public funds and the council from fraud and cybercrime.

We will deliver this by:			
Counter Fraud Awareness and Education	Measuring our impact and managing our risk	Tackling the threat	Strong partnership working

Underpinned by the council's core values:

Outcome Focused	People Focused	Empowering	Innovative
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Overview of Activity in 2022/23

- 12 2022/23 was a year of good operational performance. The team received 871 referrals, 70% of which related to Durham County Council alleged frauds.
- 13 In 2022/23 the team:
- Confirmed 137 cases of fraud, representing a 65% increase on 2021/22;
 - Received 257 referrals from our registered social landlord partners, generating £84,205 of income;

- Through our strategic partnerships with our Registered Social Landlords, we have been able to make over £2million of savings that would have potentially been lost through fraud;
- 10 cases of tenancy fraud were confirmed such as cases of subletting, succession fraud and application / allocation fraud identifying nearly £350,000 in savings;
- 168 anti-money laundering investigations were completed for applicants of the 'Right to Buy' scheme;
- The 2022/23 National Fraud Initiative (NFI) exercise saw a 27% decrease in matches from the last exercise, reflecting the improvements in our systems to protect against the threat of fraud;
- Almost 100 cases of fraudulent applications for single person discount on Council Tax were investigated identifying over £40,000 in overpayments;
- Referrals concerning Council Tax support increased from 102 in 2021/22 to 222 in 2022/23. This resulted in the confirmed fraud also increasing from 7 to 22;
- 18 investigations concerning council employees were investigated, with almost half being referred using the whistleblowing process;
- Over 1,300 requests for information were received and actioned by Durham Police throughout 2022/23;
- 17 cases were recommended for sanctions. These range from disciplinary action, warning letters, the offer of a caution and criminal proceedings;
- The Corporate Fraud Team has continued to promote Fraud Awareness through various channels and delivered face to face awareness sessions to over 100 people; and
- 4 investigators were accepted onto the Government Counter Fraud Profession after successfully completing a dedicated Level 4 apprenticeship in Investigation.

Performance Analysis - Governance and Acknowledge

- 14 In 2022 the Counter Fraud and Corruption Strategy together with its four companion documents, the Confidential Reporting Code, Fraud Response Plan, Anti-Money Laundering Policy, and Fraud Sanction

Policy were all reviewed and updated. These were presented to Audit Committee in Autumn 2022. The Counter Fraud arrangements referenced in the Annual Governance Statement have been reviewed and updated to reflect this.

- 15 The Counter Fraud and Corruption Strategy introduced the five new 'pillars of activity' that frame how we respond to the threat of Fraud and Corruption in the 2020's. The Strategy was launched during Fraud Awareness Week in November 2022, which was supported by a week of communications to the staff and public on various fraud trends, how we respond to them and how to be vigilant against them.
- 16 A review was completed on our public internet and intranet pages and our fraud transparency data has been updated including our privacy notices which now reflect the data matching and the Northeast Fraud Hub projects.
- 17 We have started developing a new Fraud Awareness Programme which includes the implementation of a corporate e-learning fraud awareness module with an intention for this to be included as mandatory in induction programmes as well as a review into our current training material and process for alerting all relevant service areas to specific fraud risks that we are made aware of.
- 18 A new Fraud Awareness package has been developed for the Registered Social Landlords to who we provide Fraud Investigation Services for. This has been delivered to over 100 members of staff for Believe housing to date with other sessions scheduled with other providers in 2023-24.
- 19 The Corporate Fraud Team works closely with the National Anti-Fraud Network (NAFN) data and Intelligence Services and continue to report cases of our own fraud through them to other local authorities. We have also received several warnings regarding a range of frauds and scams which were communicated to the relevant service areas and through social media to warn our customers.
- 20 Four of our investigators have completed the Level 4 Counter Fraud Professional investigator training resulting in them now being accepted onto the Government Counter Fraud Profession. This not only gives greater recognition and professional credibility to the team but joins us to an active community of fraud specialists across the public sector.
- 21 The next step for 2023 is to gain collective membership for the whole team which will involve a formal assessment by the Public Sector Fraud Authority on how we operate based on the Government Functional Standard model for investigators. Collective membership will provide pathways for individual capability building and career development,

providing us with standards, guidance, and tools to continuously improve knowledge, skills, and experience.

- 22 The Corporate Fraud team has continued to work closely with Internal Audit and other internal partners such as our strategic managers, HR, finance, legal and Policy makers to ensure new and existing systems remain fraud proofed.
- 23 Closer working with the Internal Audit team has ensured that controls are evaluated, and risks are tackled with some emphasis on fraud prevention and detection throughout this process.
- 24 Our Corporate Fraud Key Performance Indicators and performance measurement has been reviewed and updated. Progress on achieving these will be monitored monthly and quarterly reports produced to track progress against the delivery against targets.

Prevent

- 25 The 12-month pilot phase for the Northeast Regional Fraud Hub started in October 2022, following approval from the Cabinet Office Digital Economy Act (DEA) review board. Part 5 of the DEA provides data sharing powers to public bodies to manage and control debt and combat fraud against the public sector.
- 26 Durham is the lead authority for the Fraud Hub which 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. Phase one of the pilot (first 6 months) gave all three authorities access to a shared data warehouse where cross boundary intelligence checks can be conducted.

Fraud Hub Case Study

A male was claiming single person discount for Council Tax at an address in Durham for several years. The Fraud Hub washed all Single Person Discount records against payroll data from each authority and asked mismatches to be identified.

The Durham address that this male was receiving discount for was matched to a payroll record in Newcastle City Council, but the mismatch was that the name of the person on the payroll record was female.

Further investigation found that the female working for Newcastle City Council was the long-term partner of the male claiming council tax discount in Durham and had been caught in a fraudulent scheme to receive council tax reduction, having lived together since they purchased the house.

- 27 Phase two of the pilot started in April which saw the first data matching exercise to pro-actively look for embedded fraud that we may not normally have found. This involves comparing records held by one body against those held by another. Using a technique known as data mining, we look to classify, cluster and segment the data and automatically find

associations and rules that may signify interesting patterns, some of which may relate to fraud.

- 28 The Corporate Fraud Team have acted as lead coordinator for this year's National Fraud Initiative (NFI). The NFI is a data matching exercise conducted by the Cabinet Office every two years to detect fraud and erroneous payments from the public purse.
- 29 The main results of the NFI 2022/23 were released between January and April 2023, and produced a total of 84 separate reports, containing 19,341 individual data matches for review by the Council. The Corporate Fraud Team has 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.
- 30 As of 31 March 2023, 14 reports / 3,336 matches have been closed and outcomes reported, and 846 errors identified with savings of £5,263. 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 3,336. The exercise is still ongoing with outstanding reports with Covid Grants, Payroll and Creditors.
- 31 The outcomes to date once again show that our own controls 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. The outcomes have continued to decrease year on year, with a 27% decrease in matches from the last exercise.

Council Tax Fraud Case Study

A case that recently attracted local media interest concerned a Durham resident, who was awarded a council tax reduction in 2013. This followed an application advising the Council he was claiming employment and support allowance.

In 2022, a referral was received from the benefits examinations team concerning this resident following a match identified from the National Fraud Initiative that they may be in employment. Further enquiries were made with HMRC confirming he was a self-employed taxi driver who had submitted tax returns every year from 2014 – 2021 showing annual net profits.

Checks with his bank showed significant savings in excess of £100,000 which were not previously declared in respect of his claim.

A total overpayment of council tax reduction of £5,106 was identified which has now been repaid following a court summons being issued. He appeared before magistrates and was also asked to pay costs.

- 32 The National Fraud Initiative was also carried out by DCC on behalf of Durham Constabulary, County Durham & Darlington Fire & Rescue Authority and the North-East Combined Authority.

- 33 We have continued to be a member of the Northeast Tenancy Fraud Forum and lead / chair the Northeast Counter Fraud Group. Both are forums for discussion and knowledge sharing on a range of activities.

Pursue

- 34 The Corporate Fraud Team received 871 referrals in 2022/23. This was lower than what was received during 2021/22 however, we are now only accepting referrals from external sources that specifically refer to fraud. The external referrals have now dropped from 231 to 26. Zero referrals in both years were accepted.
- 35 70% of referrals received referred to fraud concerning Council funds or assets. 257 of the referrals received concerned 'Right to Buy' verifications or cases of suspected tenancy fraud from our Registered Social Landlord (RSL) partners.
- 36 47% of referrals for DCC investigations were retained, the biggest rejections being from referrals from the public concerning suspected Council Tax fraud. Acceptance on referrals from RSL's is higher as they are generally discussed as part of their service level agreement first although some tenancy fraud allegations received from members of the public have been rejected due to lack of supporting evidence.
- 37 147 frauds were recorded in 2022/23 which is slightly lower than the 170 in 2021/22. However, in 2022/23 we have stopped classifying right to buy verification checks where we have lost contact with the customer as fraud. 51 cases from this category were classified as fraud in the 2021/22 figures.
- 38 137 frauds refer to DCC investigations compared to 87 in 2021/22. We have seen increases in all areas of Council Tax support, Business rates, housing benefit and employee fraud. Our biggest decrease is in funding and grant related investigations, mainly attributed to the legacy investigations for Covid-19 grants progressing to closure
- 39 Sanctions are now recorded as cases when the investigation has been concluded and a Sanction has been recommended as per our Sanctions Policy. 17 sanctions have been recommended in 2022/23 which is an increase from 2022. Two cases of serious financial fraud have been referred to Durham Constabularies Economic Crime Team and two other cases of proven fraud have been prosecuted.
- 40 The team received 18 referrals concerning employees, 7 of these were using the confidential reporting code (whistleblowing) route. A summary of cases of potential internal fraud and on-going investigations from 2022/23 can be found at appendix 2.

Employed Fraud Case Study

An agency worker for Durham County Councils Highway services was required to provide weekly timesheets for hours worked for the agency and the Council for payment.

Concerns were raised when timesheets were submitted and signed the agency workers line manager during a period when his manager was on annual leave. His signature appeared forged, so a referral was made to the Corporate Fraud Team to investigate.

Further investigations found 3 timesheets had been submitted containing £1,889 of fraudulently claimed wages. The case was referred for prosecution and a summons to appear at court was issued. Following his nonattendance, a warrant was issued for his arrest, and he was eventually arrested and brought before magistrates.

He pleaded guilty and was ordered to pay £2,180.

- 41 The continuation of the Blue Badge Enforcement Group (BBEG) continues to be a success with an increase in Blue Badge investigations this year and sanctions. 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 and promotes a zero-tolerance approach throughout the county.

Blue Badge Enforcement Case Study

Two people have recently been fined for wrongly parking in a disabled bay in the same street. The council took legal action after a civil enforcement officer observed two separate incidents where a blue badge on display in a vehicle did not belong to any of the drivers or passengers.

The blue badges were confiscated and returned to the holders who were spoken to by the Corporate Fraud Team and confirmed they were not present in the vehicle when they were being used.

In the first case, a 62-year-old female pleaded guilty to mis-using a blue disability badge and was ordered to pay a £40 fine, £445 costs, and a £18 vicm surcharge.

In the second case, a 22-year-old male pleaded guilty to mis-using a blue disability badge and was ordered to pay a £40 fine, £445 costs, and a £18 vicm surcharge.

- 42 Strategic Partnerships are continuing with both Believe Housing Group, Livin Housing, and Gentoo Homes for the Corporate Fraud Team to deliver Tenancy Fraud work.
- 43 These Partnerships returned £84,205 in 2022/23 which is slightly below our target of £90,000. This can be attributed to the reduction in right to buy / acquire applications following the current economic position on mortgage interest rates and the current cost of living crisis which is seeing people saving less and spending more.
- 44 A new price model has been introduced for our Strategic Partnership work which will be introduced to those coming to the end of their current agreements in 2023. Gentoo Homes is already on our new model which will be reviewed every 12 months.

- 45 The new model covers not only our investigation costs but our membership to NAFN, which is used as a third-party broker for checks carried out for most social housing Investigations. We have also invested in software to make analysing bank statements a lot less time consuming which will be used in right to buy / acquire applications and will also be funded through these strategic partnerships.

Protect

- 46 We continue to work closely with Durham Constabulary on re-active and pro-active intelligence development and investigations. The Corporate Fraud Team action an average of 30 intelligence checks per week for the Police and these numbers will be recorded in 2023-24 as part of our performance data.
- 47 We continue to play an active role in supporting Durham Constabulary's Serious and Organised Crime disruption team, with our officer who has been involved in this work for the past three years receiving a Superintendents Commendation for her contributions to date
- 48 A representative from the team also attend's and contributes to the Disruption panel meetings and work alongside other council teams on regional projects.
- 49 The partnership work with Durham Constabulary also allows for data matching to be done from 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.
- 50 The Corporate Fraud Team has recently started upload intelligence reports onto the Intelligence Database which is organised by the Northeast Trading Standards Association (NETSA) and is used by 12 Trading Standards and Neighbourhood teams throughout the Northeast.
- 51 During Fraud Awareness week in October, we issued several articles via our local communications team internally and via social media to promote the support available to victims of fraud. During 2023-24 the Corporate Fraud team will support Action Frauds Victims Code and look at how we can do more to help vulnerable victims in the community report and receive support if they have been a victim of fraud.

Forward Look

- 52 In 2023/24 we will introduce a revised framework to measure the performance of the corporate fraud team. This framework

- Uses 3 key performance indicators to measure our strategic objective.
- Several performance indicators are used to track the delivery and management of our operational priorities.
- Will continue to develop quarterly performance reports to track progress in meeting our key performance indicators.
- Will be reviewed in 2024/25, with a view to continuously improve.

53 A full breakdown of this Corporate Fraud Team Performance Framework for 2023/2024 is at Appendix 4.

Corporate Fraud Team Operational Objectives

54 The Corporate Fraud Teams operational objectives are set around three themes – Investigations, Partnerships and People.

Operational Priority One
<i>Deliver a professional corporate fraud investigation service for Durham County Council</i>
<p>We will do this by:</p> <ul style="list-style-type: none"> • Ensuring referrals are managed and dealt with in a timely manner • Investigations are progressed without prejudice, in accordance with all current legislation, policy and guidance and in a timely manner. • Investigations are concluded appropriately, and outcomes recorded.

Operational Priority Two
<i>Deliver a professional and cost-effective fraud investigation service to external clients</i>
<p>We will do this by:</p> <ul style="list-style-type: none"> • Delivering a quality service to the customer, ensuring value for money, quality, and professionalism in every area of our work agreed in the relevant SLA. • Ensure investigations are delivered without prejudice in accordance with relevant statutory and regulatory requirements related to the delivery of this service. • Invoices for services rendered are issued in a timely manner and recorded.

Operational Priority Three
<i>To enhance our capability and credibility by recruiting and retaining talented investigators and enabling them with the right skills, data, and technology to operate and develop professionally and effectively.</i>
<p>We will do this by:</p> <ul style="list-style-type: none"> • Developing a team charter to ensure our investigators display the highest standards of professionalism, objectivity, fairness, expertise, integrity, and vision. • Closely monitor continued professional development un line with the Government Counter Fraud Profession 'Investigator standard.

55 All objectives are SMART, with one and two designed to track performance against our core functions and three ensuring we have the best resources available to do it.

Background papers

- None.

Other useful documents

- None.

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Appendix 1: Implications

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. In 2022/23 the Corporate Fraud Team have recovered or intercepted over £1.5 million of potential fraud. 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
2022 -2023**

Fraud Investigations for Durham County Council

Fraud Type	Referrals Total	Referrals Accepted	Referrals Rejected	Investigations Closed	Frauds No.	Prosecutions No.	Outcomes	
							Sanctions No.	Value (£)
Blue Badge	42	34	8	19	3	-	4	£4,002
Council Tax	72	45	27	34	16	-	0	£19,059
CTRS	222	79	143	76	22	1	4	£61,663
Data Breach	2	2	0	2	0	-	2	-
Direct Payments	8	6	2	4	0	-	-	-
Employee	19	18	1	19	3	-	3	£61,130
Funding /Grant*	10	9	1	33	21	1	3	£120,158
Housing Benefit	6	0	6	22	0	-	0	£72,774
Insurance	8	8	0	17	3	-	0	£76,109
Irregularity	9	8	1	5	4	-	0	£1,100,310
NNDR	27	8	19	7	0	-	0	£4774
Procurement	1	1	0	1	1	-	1	£489
Schools	4	4	0	2	1	-	0	£2867
SPD	159	99	60	125	65	-	0	£40,234
External	26	0	26	-	-	-	0	-
Totals	614	320	294	366	137	0	17	£1,563,569

Fraud Investigations and Verification work for Registered Social landlords

Fraud Type	Referrals Total	Referrals Accepted	Referrals Rejected	Investigations Closed	Frauds No.	Prosecutions No.	Outcomes	
							Sanctions No.	Value (£)
Right to Buy	151	150	1	168	0	-	-	£1,930,714
Tenancy	106	86	20	86	10	-	-	£353,848
Totals	257	236	21	254	10	0	0	£2,284,562

Notes:

*25 of the 33 Funding / grant investigations that were closed related to COVID grants.

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.

Corporate Fraud Team Performance Indicators 2023 – 2024

For 2023/24, there are 3 Key Performance Indicators to measure our main strategic objective and several performance indicators to track our operational objectives.

Our Operational objectives are set around three themes - Investigations, Partnerships and People.

Performance against these targets is shown in the table below:

	Strategic Objectives		Frequency
	To ensure the proper use and protection of public funds and assets.	Target	Frequency
Prevent financial losses through the Council with having a Corporate Fraud Function	Total amount of fraud value or financial savings for DCC Measures the effectiveness of the Fraud Team and the value for money investing in a Counter Fraud function	£500,000	Annual
Monitor income	Measures the value of the partnerships and in investing our resources away from DCC Fraud Risks Includes non-partnership income from POCA / Investigations Costs / Administrative Penalties and other financial penalties. Measures that the Counter Fraud Team are maximising the redress, sanctions and legislation that is available.	£80,000	Annual
Prosecutions & Sanctions	Measures how many criminal investigation recommendations, with a team intention to pursue criminal investigations. Measures the value of the team having the skills, knowledge, and training/qualifications to progress such criminal outcomes	10	Annual

Appendix 3

	Operational Objectives		Frequency
Investigations	Deliver a professional Corporate Fraud Investigation service for Durham County Council.		Monitored / reported
	<i>Referrals are managed and dealt with in a timely manner</i>		
Total number of referrals	Measures the effectiveness of the Fraud Communication Plan and delivery of Fraud Awareness, to make sure we have accessible reporting channels both externally and internally	500+	Monitored Monthly/ Reported Quarterly
Total number of Whistle Blowing referrals	Measures the effectiveness of the Whistle Blowing Policy and Publicity, so that people can feel confident and blow the whistle	No target Ongoing review	Monitored Monthly/ Reported Quarterly
Source of referral	Measures the effectiveness of the Fraud Communication Plan and delivery of Fraud Awareness and that we have accessible reporting channels Measures which internal service areas report fraud and any targeted fraud awareness	No target Ongoing review	Monitored Monthly/ Reported Quarterly
Sifted referrals	Referrals sifted within 10 working days of date of referral Focuses workloads on our counter fraud plans, fraud risks and allocated resources, making sure referrals are reviewed efficiently	90%	Monitored Monthly/ Reported Quarterly
Accepted referrals	Referrals allocated within 10 working days of date of sift Focuses workloads on our counter fraud plans, fraud risks and allocated resources, making sure referrals are allocated efficiently	90%	Monitored Monthly/ Reported Quarterly
Rejected referrals	Measures the reasoning why the referral was rejected, to show if fraud awareness or training are needed	No target Ongoing review	Monthly Quarterly Annual

Appendix 3

	Operational Objectives		Frequency
	Measures the number of rejected referrals that could not be investigated and/or that are for other law enforcement agencies, so these are forward to the correct law enforcement agency to be dealt with.		
	<i>Investigations are progressed in a timely manner in line with current legislation, policy, and guidance.</i>		
Total number of Investigations	Demonstrates the volume of work for the Corporate Fraud Team with the number of investigations closed Measure's workloads, resources and demonstrates if the number of accepted investigations is manageable	No target Ongoing review Could include target to focus on workloads Reactive v Proactive	Monitored Monthly/ Reported Quarterly
Types of Investigations	Measures the fraud risks that are investigated to help inform our Corporate Strategic Fraud Risk, Fraud Planning, and the overall Assurance Opinion Measures which internal service areas are at most risk so that we can focus awareness and support. Measures the number of investigations against the number of allocated days for reactive investigations in Galileo for specific fraud risks	No target Ongoing review	Monitored Monthly/ Reported Quarterly
Investigations started	Allocated investigations started within 10 working days of date allocated Measures Investigators workloads and to assist those investigations are dealt with effectively and efficiently to help protect the public purse/ financial savings for the authority	90%	Monitored Monthly/ Reported Quarterly

Appendix 3

	Operational Objectives		Frequency
Investigations not yet started	<p>Allocated investigations not started within 10 working days of date allocated</p> <p>Focuses workloads on our counter fraud plans, fraud risks and allocated resources, making sure investigations are investigated efficiently</p> <p>Measure's workloads, resources and demonstrates if the number of fraud reports and accepted referrals are manageable</p>	90%	Monitored Monthly/ Reported Quarterly
Ongoing investigations	<p>Ongoing Investigations progressed/reviewed within 20 working days</p> <p>Measures investigators compliance to legislation, policy and guidance.</p> <p>Measures delay on inactivity that could hinder outcomes with breaches of legislation</p> <p>Measures Investigators competencies, training requirements and continued professional development.</p>	90%	Monitored Monthly/ Reported Quarterly
<i>Investigations are concluded appropriately, and outcomes recorded.</i>			
Total number of closures	<p>Investigations closed correctly</p> <p>Measures that all investigations have been closed correctly, so that the outcomes are accurate which then helps inform our Fraud Strategy, Plans and Counter Fraud Governance arrangements and Overall Assurance Opinion</p> <p>Measures Investigators competencies and training requirements</p>	100%	Monitored Monthly/ Reported Quarterly
Actual Value of Frauds	<p>Actual amount of fraud value or financial savings for DCC is recorded correctly</p> <p>Measures the effectiveness of the Fraud Team and the value for money investing in a Counter Fraud function</p>	100%	Monitored Monthly/ Reported Quarterly

Appendix 3

	Operational Objectives		Frequency
	Cost of the Fraud Team against the total amount of fraud value or financial savings for DCC as included within our Values & Measurement		
Types of Prosecutions & Sanctions	<p>Measures how many criminal investigation outcomes, with a team objective/fraud model to pursue criminal investigations</p> <p>Measures the fraud risk outcomes that are investigated to help inform our Corporate Strategic Fraud Risk, Fraud Planning, and the overall Assurance Opinion</p> <p>Measures which fraud risks pose a greater threat and how effective our counter fraud policies and any areas to focus</p> <p>Measures the value of the team having the skills, knowledge, and training/qualifications to progress such criminal outcomes</p>	<p>No target</p> <p>Ongoing review</p>	<p>Monitored Monthly/ Reported Quarterly</p>
No Fraud	<p>Measures the number of investigations that resulted in no fraud and includes the reason</p> <p>Measure's resources/investigations are dealt with effectively and efficiently to help protect the public purse/ financial savings for the authority</p> <p>Measures Investigators competencies and training requirements</p> <p>Focuses our workloads on our counter fraud plans, fraud risks and allocated resources</p>	<p>No target</p> <p>Ongoing review</p>	<p>Monitored Monthly/ Reported Quarterly</p>
Partnerships	Deliver a professional and cost-effective fraud investigation service to clients.		
Number of Social Housing Properties Recovered and/or Applications Prevented	<p>Measures the total number of properties recovered or prevented for both fraud and compliance</p> <p>Measures the number of days allocated under the Partnership against the success / results</p> <p>These will differ depending on each SLA</p>	<p>As per tasking from provider.</p>	<p>Monitored Monthly/ Reported Quarterly</p>

Appendix 3

	Operational Objectives		Frequency
Allocated resource (time spent)	<p>Measures the number of days allocated under the Partnerships against the success / results and resources for the Fraud Team in Galileo</p> <p>Broken down between each separate SLA</p> <p>Calculate RTBA cases time against the volume of closures and income charged</p> <p>Measures the value of the partnerships and in CFT investing our resources away from DCC Fraud Risks</p>	<p>Targeted days as agreed in SLA's</p> <p>Ongoing review</p>	<p>Monitored Monthly/ Reported Quarterly</p>
Breakdown of income	<p>Measures the value of the partnerships and in CFT investing our resources away from DCC Fraud Risks</p> <p>Measures each partnership for value for money</p> <p>Linked to the KPI – this is the breakdown to show the £80K target</p>	<p>No target</p> <p>Ongoing review</p>	<p>Monitored Monthly/ Reported Quarterly</p>
People	<p>To enhance our capability and credibility by recruiting and retaining talented investigators and enabling them with the right skills, data, and technology to operate and develop professionally and effectively.</p>		
Professional standards	<p>Developing a team charter to ensure our investigators display the highest standards of professionalism, objectivity, fairness, expertise, integrity, and vision.</p> <p>To be able to conduct professional and competent investigations to a standard that informs robust process and decision making,</p> <p>Skilled at understanding core business process affected by the matter under investigation and that fraud often stretches across organisational boundaries.</p> <p>Recognise that investigators have different knowledge, experience and skills and to utilise this as a team.</p>	<p>No target</p> <p>Ongoing review</p>	<p>Monitored Monthly/ Reported Quarterly</p>

Appendix 3

	Operational Objectives		Frequency
Continuous professional development	Give opportunities to staff to help develop and improve their professional practice Encourage self-assessment for personal development in PDR's and record progress on GCFP Professional skills platform.	No Target Ongoing review	Monitored Monthly/ Reported Quarterly

Our Counter Fraud Operational plan 2023-24

The Counter Fraud Operational plan details the key activities we will be undertaking during 2023-24 alongside our operational priorities.

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
1) Annual review and publication of all five Counter Fraud policies	Fraud Manager / Chief Internal Auditor & Corporate Fraud Manager	31/03/2024		Policies are: <ol style="list-style-type: none"> 1. Confidential Reporting Code 2. Counter Fraud & Corruption Strategy 3. Fraud Response Plan 4. Money Laundering Policy 5. Fraud Sanction Policy
2) Annual review of Counter Fraud pages on the Internet and Intranet	Fraud Manager	31/03/2024		<ol style="list-style-type: none"> 1. Review and make any appropriate amendments 2. Link in with Fraud Communication Strategy
3) Annual submission of Fraud Transparency data	Fraud Manager	01/11/2023		<ol style="list-style-type: none"> 1. Finalise data 2. Upload onto website

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
4) Implementation of a Fraud Awareness programme	Fraud Manager / Corporate Fraud Team	31/03/2024		To include: <ol style="list-style-type: none"> 1. Develop a programme of fraud awareness 2. Service fraud awareness delivered to high-risk areas 3. Implementation of a corporate e-learning fraud awareness training system 4. Introduce a process to alert all relevant service areas of fraud risks alerts 5. Review fraud awareness at induction within recruitment and selection
5) To continue to develop the use of data analytics using both CFS and IDEA and the benefits applied to finding more fraud – dovetailed to Fraud Data Hub pilot.	Fraud Manager / Corporate Fraud Team	31/03/2024		<ol style="list-style-type: none"> 1. Data Analytical tests created
6) To complete the Northeast Data Hub pilot with Gateshead and Newcastle	Fraud Manager / Corporate Fraud Investigator	31/03/2024		Potential uses of hub: <ol style="list-style-type: none"> 1. Data Matching – NFI replica 2. Data Matching – Other 3. Intelligence – Internal 4. Intelligence – Cross boundary 5. Verification Vetting 6. RSLs data to be included

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
7) To monitor and manage the current Tenancy Fraud SLAs, making sure they are Value for Money and Successful	Fraud Manager / Corporate Fraud Team	31/03/2024		Current partnerships are with: <ol style="list-style-type: none"> 1. Livin Housing 2. Believe Housing 3. Gentoo Homes
8) To monitor and manage all RTB verification SLAs, making sure they are Value for Money and Successful	Fraud Manager / Corporate Fraud Team	31/03/2024		Current partnerships are with: <ol style="list-style-type: none"> 1. Karbon Homes 2. Bernicia 3. Livin Housing 4. Gentoo
9) To develop further Strategic Commercial Partnerships/ Activity	Fraud Manager	31/03/2024		To review: <ol style="list-style-type: none"> 1. Believe Housing RTB verification 2. Karbon Homes Tenancy Fraud 3. Bernicia Tenancy Fraud 4. Durham Key Options 5. Fraud Services for other LA's 6. Succession Tenancy Fraud verification
10) Protecting the Public Purse Reports presented to Audit Committee bi-annually	Fraud Manager	31/03/2024		Audit Committee: <ol style="list-style-type: none"> 1. Full Report for 2022/23 (June 2023) 2. Update Report for 2023/24 (Nov 2023)

Appendix 4

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
11) National Fraud Initiative 2022/23	Fraud Manager / Corporate Fraud Investigator / Corporate Fraud Team	01/11/2023		<ol style="list-style-type: none"> 1. Complete sifting of results and collating feedback from other service areas. 2. Complete feedback report for Chief Internal Auditor and Corporate Fraud Manager.
12) Progress the Fraud Risk Survey and further develop an Operational Fraud Risk Register To include a Fraud Loss Measurement and Fraud Cost Exercise	Fraud Manager / Principal Risk Officer	31/03/2024		<ol style="list-style-type: none"> 1. Survey to all HoS Service Fraud Risks 2. Create an Organisational Fraud Risk Register 3. Work with service areas on the fraud risks 4. Fraud Champion in each area 5. Regular monitoring of fraud risks
13) Continue to be involved and develop the Regional and National Fraud groups, profiling Durham County Council Corporate Fraud Team	Fraud Manager	31/03/2024		<ol style="list-style-type: none"> 1. Northeast Counter Fraud Group (NECFG) – Chair and Secretariat 2. Northeast Tenancy Fraud Forum (NETFF) – Joint Chair 3. Fighting Fraud and Corruption Locally (FFCL) - Regional Rep and Operational Board member 4. National Investigation Officers Group (NIOG) – Steering Group Member
14) Review and implement the Fraud Communication Strategy into 2022/23	Fraud Manager / Comms Team	31/03/2024		<ol style="list-style-type: none"> 1. Separate document for the actions and timelines 2. Ongoing strategy/plan 3. Constant review and regular meetings

Appendix 4

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
15) Implement the new Fraud Performance Framework and monitor the team performance	Fraud Manager	31/03/2024		<ol style="list-style-type: none"> 1. 3 KPI's 2. 4 Operational Priorities 3. Reviewed and monitored through quarterly reports to RMT.
16) To continue to progress and monitor the Counter Fraud Apprenticeships	Fraud Manager / Chief Internal Auditor and Corporate Fraud Manager	31/03/2024		<ol style="list-style-type: none"> 1. Recruit a new Corporate Fraud Apprentice for 2023 intake onto CIPFA Level 4 training. 2. Manage, mentor and develop across the year.
17) To review Procurement Fraud & Grant Fraud Risks and introduce a fraud plan to tackle these areas	Fraud Manager / Corporate Fraud Team / Procurement Service	31/03/2024		<ol style="list-style-type: none"> 1. Lessons learned report following several investigations working closely with Audit Team. 2. Procurement checklist to be reviewed with service area and agree fraud risks, controls, and any actions 3. Similar approach with grants
18) To further develop the Financial Investigators Role and embed this within the Team	Fraud Manager / Corporate Fraud Investigator / Corporate Fraud Team	31/03/2024		<ol style="list-style-type: none"> 1. Temporary contract for FI extended to 03/24 2. Investigator to follow Financial Intelligence Officer training pathway 3. To progress to full FI training.
19) To apply for collective membership to the Government Counter Fraud Profession.	Fraud Manager	31/03/2024		<ol style="list-style-type: none"> 1. Benchmark new standards as an organisation based on Government Functional Standard. 2. Benchmark new standards individually 3. Review gaps and agree how to fill these 4. Link with PSFA for assessment.

Task	Responsibility	Planned Completion Date	Actual Completion Date	Comments / Deliverables
20) To review and develop the Corporate Fraud Team Procedure Manual, a new Prosecution File, and the effective Team Working Practices with CFS	Fraud Manager / Corporate Fraud Team	31/03/2024		<ol style="list-style-type: none"> 1. Implement both into CFS and procedure folder etc 2. Linked to System Development Plan
21) Procure and launch replacement Fraud case management system for the Corporate Fraud Team.	Fraud Manager / Chief Internal Auditor and Corporate Fraud Manager / Corporate Fraud Team	31/10/2024 (Estimated)		<ol style="list-style-type: none"> 1. Work with procurement and ICT services to obtain a MVP or more developed system for managing fraud cases following CIVICA contract ending in 23/24. 2. Also look to incorporate data warehouse and data matching software to continue to be the lead LA for the Fraud Data Hub.