



devon**audit**partnership

Counter Fraud Services

Plymouth City Council

Devon Audit Partnership

**Counter Fraud
22/23 Annual Report and
Update**

Audit and Governance Committee July 2023

**CUSTOMER
SERVICE
EXCELLENCE**



Support, Assurance and Innovation

1. Executive Summary

1.1 The following is the [Devon Audit Partnership](#) (DAP) [Counter Fraud Services Team](#) Annual Report and Update for the financial year 2022/23. It outlines the counter fraud work undertaken in support of Plymouth City Council and its continued efforts to ensure that appropriate Governance processes are in place. This includes acknowledging the threats posed by fraud, preventing and pursuing those who would look to commit fraud and providing assurance that the Council and the public are being protected from fraud.

1.2 In the past twelve months the Counter Fraud Services Team have –

- Received and processed 452 allegations of fraud and related offences against the Council and its citizens.
- Helped the Council generate calculated savings of £1,348,278.10 in all areas of Council business.
- Undertaken an extensive review of Plymouth City Councils Counter Fraud resilience in line with best practice.
- Supported the Council's commitment to the National Fraud Initiative, by checking matches and supporting the relevant departments accordingly. Checks against higher risk matches continue to be undertaken by the Council and by DAP staff.
- Undertaken rolling monthly data analysis exercises to identify potential fraud and error in multiple Council systems.

1.3 We consider that this is once again a very positive report which shows the genuine commitment from the Council to minimise the impact and losses of fraud. Further required work has been identified in order to fully understand 'fraud risk' and raise awareness in all areas of the Council's business to ensure maximum resilience and assurance.

2. Introduction

2.1 The Counter Fraud Services Team within Devon Audit Partnership (DAP) continues to support and facilitate the development of the Council's Counter Fraud processes and capability, which improves its resilience to fraud and related offences.

2.2 The ongoing work will assist all Council staff, management, and Members in identifying fraud and the risks associated with it. The aim is to ultimately provide the highest level of assurance possible utilising a joined-up service in association with our colleagues involved in Internal Audit, and the Council itself to minimise fraud loss to the lowest level possible.

2.3 Reporting Counter Fraud activity is part of good Governance, and regular updates on the Council's Counter Fraud activity improves accountability; this report aims to meet this requirement and the requirements for such reports in accordance with the Council's own Anti-Fraud, Bribery and Corruption Policy and the accompanying Strategy and Response Plan.

2.4 It is always worth reiterating that fraud is by definition a crime and should not be tolerated. Any fraud against Plymouth City Council is a fraud against the public purse. We will continue to acknowledge the threat from fraud, build processes and policies that will prevent fraud and pursue those who would commit fraud to ensure that the public retain confidence in the Council. Collaboration across the public sector will continue and strengthen under the current working arrangements through DAP and its partners.

3. Fraud response / resilience assessment.

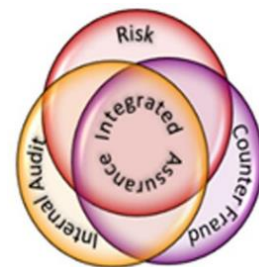
3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) reports that local authorities have achieved success by taking a structured response to fraud and that they now need to respond to an ever increasing fraud threat, and further develop and enhance their counter fraud response by ensuring that it is comprehensive and effective and focused on the key changes that will make the most difference.

3.2 A local authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is taking action with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.

3.3 The table in Appendix 1 shows the expected response from a local authority, and our assessment of Plymouth's arrangements against expectations. It is clear that the Council complies in almost all areas of Counter Fraud best practice. However further work in Joining up the 'Fraud Risk Management' process and Counter Fraud knowledge between DAP and PCC will add further value to the Counter Fraud Activity. (Training and awareness services are available through the Partnership).

4 Integration of Counter Fraud, Risk Management, and Internal Audit.

4.1 The integration between these assurance arms continues to evolve and strengthen. Regular meetings between the relevant managers and staff ensure that cross collaboration is growing and improving so that auditors are aware of fraud and risk issues (See Appendix 2).



4.2 Regular communication between Devon Audit Partnership and the Service Director for Finance (Section 151 Officer) ensures that direction, clarity and flexibility take place and continue to improve.

4.3 We are looking to assist and support PCC in its effective overall Risk Management processes to ensure that we can provide maximum assurance going forward.

5 National Fraud Initiative

5.1 The [National Fraud Initiative](#) (NFI) is an exercise run and reported on by the [Cabinet Office](#); it matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.



5.2 Devon Audit Partnership acts as the point of contact between the Cabinet Office and the Council in matters relating to the National Fraud Initiative, this being a mandatory Biannual exercise in fraud prevention and detection.

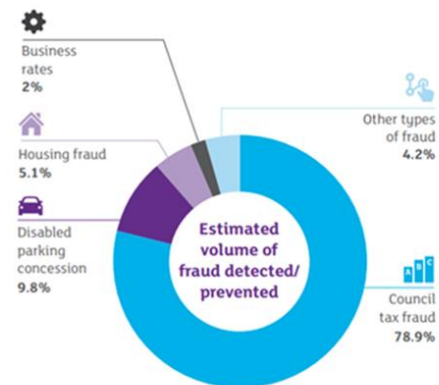
5.3 The Bi Annual National Exercise for 2022/23 data matches have now been returned and are being actioned by both Council and DAP staff in order to provide maximum assurance that potential fraud losses are minimised.

5.4 In the Chartered Institute of [Public Finance and Accountancy \(CIPFA\) survey in 2019](#), the most common types of fraud faced by all Councils in England and Wales were identified as per the

graphic below, it remains imperative that the Council continues to maximise counter fraud activity in these areas to ensure the minimisation of any loss to fraud.

5.5 The last National Exercise assisted the Council to identify changes in entitlement which resulted in an estimated (Figures supplied by the Cabinet Office) total of £60k in potential savings. DAP is committed to supporting the Council in maximising savings from the current exercise.

5.6 Departments that complete the returned matches show that they are actively involved reducing fraud risk as well making sure that wherever possible their data management is compliant with the Data Protection Act 2018 by ensuring -



- **Data minimisation** by ensuring that PCC only holds data that is required.
- **Accuracy** by ensuring that the data held is as accurate as it can reasonably be expected to be.
- **Data retention periods**, showing that data is not being held longer than is necessary for its intended use.

6 Investigations and other ongoing work

6.1 In the past twelve months the Counter Fraud Services (CFS) Team have received 452 referrals covering the following areas of Council Business.

- Tenancy Fraud (involving our partner Registered Social Landlords)
- Blue Badge Fraud
- Parking Permits
- Concessionary Travel
- Council Tax Support / Single Person Discount
- Business Rates
- Internal

6.2 The CFS team have 68 live investigations (*details of individual investigations cannot be disclosed due to the sensitive nature of the information*), and we continue to support service areas that require data analysis and monitoring.

6.3 We continue to regularly pro-actively cross check data sets within the Council in order to reduce ongoing fraud and error. In 2022/23 DAP this resulted in 1369 matches, the savings from which are included in overall recordable savings in 7.1 below.

6.4 We are committed to actively drive the risk assessment for fraud within the Council, to establish where the highest-level threats are and to ensure that wherever possible the Council

is able to formally;

- Acknowledge the threat from fraud.
- Identify the risks.
- Develop a strategy of pro-active and responsive counter fraud work that fits with the Councils wider objectives and goals.
- Assist in assuring correct resources are applied to issues identified.
- Once the Fraud Risk Management process is embedded, information will be included in the Annual Counter Fraud Report.

7 Recordable savings

7.1 In this financial year 2022/23 the CFST have identified £1,348,278.10 of savings (as calculated using national indicators supplied by the Cabinet Office) across the Council and it is anticipated that further comparable savings will continue to be realised in the 23/24 financial year. (NFI savings are not included as these will be calculated at the end of the exercise)

7.2 In the eight years that the Council has been recording 'Cashable and Non Cashable' savings related to fraud it has achieved just over £9.5million in savings across all areas of business. This is a significant sum and continues to justify the Council's robust approach to countering fraud and re-assures the general public that Plymouth City Council is serious about protecting the public purse and its assets.

7.3 Fraud is by its very nature a hidden offence and therefore it must be assumed that the savings made and shown here are potentially the 'tip of the iceberg' and that further savings are obtainable. The more assets that are available to address this issue, the higher the potential savings figures will be in the future.

8 Further information for Members

8.1 The latest Policy Paper from **HM Government** on their [Fraud Strategy: Stopping Scams and Protecting the Public](#). "Fraud poses a significant threat to the people, prosperity, and security of the UK. It is by far the most common crime and now accounts for over 40% of all offences in England and Wales. This strategy will tackle fraudsters head on and cut fraud by 10%, protecting the British people's hard earned cash from criminals and putting more fraudsters behind bars."

8.2 The **House of Commons Committee Report** on [Fraud and the Justice System](#) "The importance of tackling fraud has been highlighted repeatedly by the Government over the past few years. In its 2021 Economic Crime Plan Statement of Progress, the Government articulated how "fraud poses a direct threat to the UK's post-Covid economic recovery, eroding consumer confidence and costing individuals and businesses billions each year."

8.3 **House of Lords Report** [Fighting Fraud: Breaking the Chain](#) "Data from the Office for National Statistics (ONS) Crime Survey for England and Wales (CSEW) shows that there were 4.5 million fraud offences in the year to March 2022, an increase of 25% on the pre-pandemic year ending March 2020. Computer misuse offences increased by 1.6 million, an 89%" increase.

8.4 Credit Industry Fraud Avoidance System or **CIFAS Report [Fraudscape 2023](#)** “The highest ever volume of identity fraud cases was recorded in 2022 – over 277,000 cases. This is up by nearly a quarter – 23% – on 2021 and accounts for 68% of all cases”

8.5 All of the above reports detail the rising instances of fraud and related offending as well as attempting to address the causes and the robust responses required. It is clear that the fraud threat levels have never been higher and that this will require increased and specialised resourcing if fraud is to be addressed appropriately.

9 Conclusion

9.1 All recent indicators and reports show that fraud and related offences are increasing year on year. The public sector and local government are not immune to fraud activity and as such it is important that we understand and address known and emerging risks to the public purse.

9.2 The Loss of public funds through fraudulent activity has never been an acceptable situation, however now more than ever, every effort must be made to acknowledge, better understand, record and address these risks. Every £ saved is a £ that can be spent on essential front line services for the people of Plymouth.

9.3 Plymouth City Council’s substantial Counter Fraud resilience, detection and prevention remains a regional lead and the stronger digital approach taken over the most recent years attests to its willingness to adapt and move towards an ever-stronger assurance position. The benchmarking against best practice exercise is highly encouraging and supports the opinion that the Council is committed to reducing fraud losses to the minimum level possible.

9.4 It remains important that ‘fraud risks’ are addressed at a Departmental level. We will look to assist Plymouth City Council to acknowledge known and emerging fraud risks, prevent and deter them occurring in the first place, whilst actively and robustly maintaining the pursuit of those who commit these sorts of offences against the Council. This will further support an integrated assurance model that ensures that Audit, Risk, and Counter Fraud work together to provide the highest level of assurance possible.



Ken Johnson
Counter Fraud Services Manager

Tony Rose
Head of Devon Audit Partnership



Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams and West Devon councils and Devon and Somerset Fire and Rescue Authority. We aim to be recognised as a high-quality assurance service provider in the public sector.

We work with our partners by providing a professional assurance services that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.

Confidentiality and Disclosure Clause - This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

(Fighting Fraud and Corruption Locally 2020)



Appendix 1

Counter Fraud resilience and Best Practice Checklist

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
1. The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	Yes The Corporate Risk Register, which incorporates the risk for fraud, is taken to the Audit & Governance Committee. This is also considered by the Senior Management Team. Further work being to be undertaken to re-enforce this area. (DAP and Risk Management) to ensure that all individual areas of the Councils business are risk assessed.
2. The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community	Yes. In terms of horizon scanning, internal audit (DAP) provide updates on emerging fraud risks and the Devon Audit Group also helps to inform officers of locally developing issues. A local network of key contacts also helps to identify trends and developments. As above further work planned to assist Plymouth to understand risk to specific areas of business.
3. There is an annual report to the audit committee, or equivalent detailed assessment.	Yes. Each year a report is taken to the Audit & Governance Committee, reporting the results of counter fraud work undertaken on 'Managing the Risk of Fraud and corruption.'
4. The relevant portfolio holder has been briefed on the fraud risks and mitigation	Yes Portfolio holder informed and aware of counter fraud resilience and activity. Annual and Half early reports signed off.
5. The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	Yes. The Audit & Governance Committee supports all officers in their work to prevent, detect and investigate fraud and corruption. Officers from partner organisations (e.g. Devon Audit Partnership) are used to provide specialist skills and additional resources as and when required.
6. There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	Yes. The Authority has in place an Anti-Fraud, Bribery and Corruption Policy and an Anti-Fraud, Bribery and Corruption Strategy and Response Plan , both were updated August 2021. These documents are taken to, and approved by, the Audit & Governance Committee.
7. The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	Yes. The Councils Constitution is available to all staff and Members, the document clearly defines codes of conduct and expected behaviours.

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	<p>The Anti-Fraud Bribery and Corruption Policy clearly identifies responsibilities for all Members and staff.</p> <p>The Whistleblowing Policy is currently under review, this will further strengthen assurance once in place.</p> <p>Policy and process documents reviewed by Audit and Counter Fraud Teams through DAP.</p>
8. The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	<p>Yes.</p> <p>A specific fraud risk entry is recorded in the risk register. However this now needs to be expanded to recognise threats across the varied areas of business that the Council undertakes.</p>
9. Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	<p>Yes</p> <p>The Authority relies on a dedicated Counter Fraud and Internal Audit team provided by DAP to support creation and implementation of policies, strategies and other initiatives across departments.</p> <p>New policies and strategies are always considered in the light of possible fraud and corruption and are designed to limit such exposure.</p> <p>Annual and Half Yearly Reports are supplied to Audit and Governance Committee.</p>
10. Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	<p>Yes</p> <p>Successful cases of proven fraud / corruption are publicised both internally and through external media in line with the Strategy and Response Plan.</p>
11. The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	<p>Yes</p> <p>All systems are designed to prevent fraud occurring. The diligence of management and staff is also key in this.</p> <p>A risk assessment is undertaken of the key risks of fraud, and the controls in place to prevent this taking place.</p> <p>The annual Internal Audit plan is prepared taking in to account risks, which include fraud risks. Internal audit will provide assessment on the effectiveness of controls, and test controls to ensure that they are being complied with in practice.</p> <p>The Audit and Governance Committee is provided reports on risk, and the results of Internal Audit, and Counter Fraud activity on a regular basis.</p>
12. The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:	
– codes of conduct including behaviour for counter fraud, anti-bribery and corruption	<p>Yes.</p> <p>The Councils Constitution is available to all staff and Members, the document clearly defines codes of conduct and expected behaviours.</p>

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	<p>eLearning package giving overarching awareness training on Fraud, Bribery and Corruption is available through the internal training website.</p> <p>Anti- Fraud Bribery and Corruption Policy and the accompanying Strategy and Response Plan clearly detail responsibility for preventing and reporting fraud and related offences. All such allegations are recorded on a secure case management system for audit and review.</p>
<p>– register of interests</p>	<p>Yes</p> <p>A register of member interests is maintained against each member and is publicly available on the Councils internet pages</p> <p>https://democracy.plymouth.gov.uk/mgMemberIndex.aspx?bcr=1</p> <p>The Council also has a web page Declaration and Conflict of Interest which details information and process around this topic.</p>
<p>– register of gifts and hospitality.</p>	<p>Yes.</p> <p>There is a “Member Toolkit” on Staffroom which has a section on useful documents which has amongst others a Gifts & Hospitality form. There is another form for the register of interests. The Declaration and Conflict of Interest webpage also details information and requirements on the register of gifts and hospitality.</p> <p>Policy and process for the recording of Gifts and Hospitality being reviewed.</p>
<p>13. The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.</p>	<p>Yes</p> <p>Plymouth have a Recruitment and Selection Policy and Procedure</p> <p>All offers of employment are subject to satisfactory pre-employment checks.</p> <p>Mandatory checks include :-</p> <ul style="list-style-type: none"> • References • Verification of employment history • Verification of professional qualifications and memberships • Verification of ID , nationality and immigration status and right to work in the UK • Medical clearance

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	<p>Some posts require additional checks including</p> <ul style="list-style-type: none"> • DBS • Credit checks • Checks on company directorships held, resigned or disqualified from (not routinely undertaken)
<p>14. Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.</p>	<p>Yes.</p> <p>At the start of each Council meeting a declaration of interests is requested.</p> <p>However as per 12 this process is currently under review to ensure this is clear to all staff going forward. (DAP Audit involved in this process)</p>
<p>15. There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.</p>	<p>Yes</p> <p>DAP Audit and the Counter Fraud teams work to ensure that fraud remains a high priority for all staff and members. Regular reporting and the dissemination of fraud alerts via the National Anti-Fraud Network (NAFN) are issued to relevant 'officers' as and when they become available. The involvement and support of DAP in the Councils mandatory involvement in the National Fraud Initiative exercises also supports this.</p>
<p>16. There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.</p>	<p>Yes.</p> <p>A separate Whistleblowing policy is in place and is currently under review, by DAP Audit and PCC Audit and Governance Committee.</p>
<p>17. Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.</p>	<p>At present the whistleblowing policy applies to all Council workers, including elected and co-opted Members. All third parties acting for and on behalf of PCC are expected to not act against the interests of PCC or the wider public interest as defined by the Public Information Disclosure Act 1998 (PIDA) where any individual suspects any of the following they will be protected by this legislation.</p> <ul style="list-style-type: none"> • Criminal Offence • Failure to Comply with a Legal Obligation • Miscarriage of Justice • Health and Safety Risks • Environmental Damage • Cover Up

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
18. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	<p>Yes</p> <p>DAP supply all Counter Fraud resources. The Counter Fraud Services (CFST) has 4 individuals fully trained and qualified 'Accredited Counter Fraud Specialists (ACFS).</p> <p>The Counter Fraud Manager is an Accredited Counter Fraud Specialist (ACFS) an Accredited Counter Fraud Manager (ACFM). He also holds a Certificate in Counter Fraud Risk Management and a Diploma in Counter Fraud Management.</p> <p>A new apprentice has been inducted into the team to reinforce capability and capacity (Level 4 Apprenticeship in Fraud Investigation)</p> <p>The CFST retain a secure 'case management system' enabling the effective and legally required level of evidential security and auditability to maintain a transparent and fair record of investigation record and evidence retention.</p>
19. There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	<p>There is no annual fraud plan as such at the current time.</p> <p>However, there are a range of "Audit work programmes" that are prepared each year, including actions arising for the Risk Management and Internal Audit.</p> <p>The elements of each of these various plans enables senior management to be assured that suitable resources are being allocated to prevent, detect and investigate fraud.</p> <p>Current levels of fraud prevention, detection and reporting are encouraging, however closer working arrangements and a dedicated 'fraud risk register' would allow the potential for the creation of an annual fraud plan.</p>
20. Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	<p>Yes</p> <p>All referrals and reports of fraud are recorded as are the outcomes and financial loss and savings. These record cover all areas of counter fraud activity across the Council</p>
21. Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	<p>Yes</p> <p>DAP investigators have direct access to certain PCC records as agreed under DAP terms of reference, however access to all documents and records can and would be obtained under the relevant Data Protection Act exemption (Schedule 2 Part 1 2(1)) as and when required.</p>
22. There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	<p>Yes</p> <p>All cases which go to court are publicised through the PCC Corporate Communications Team.</p> <p>Plymouth has an enviable list of cases which have made local and on occasion's national headlines in the media.</p>
23. All allegations of fraud and corruption are risk assessed.	<p>Yes</p>

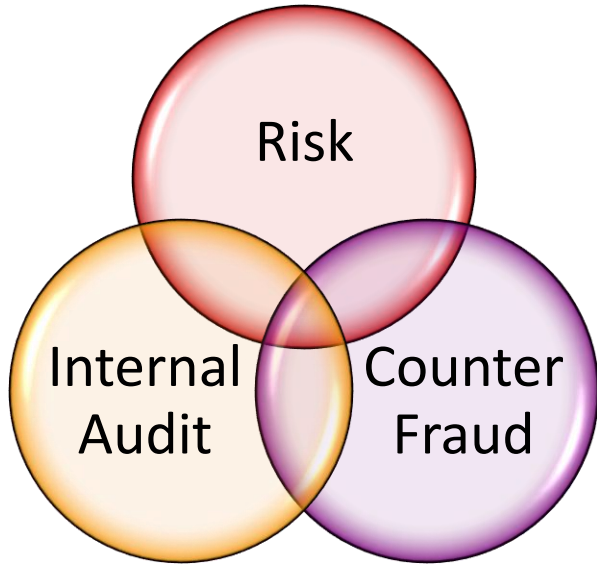
CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	Each referral or suspicion is “risk assessed” and scored using the national intelligence model before embarking upon a course of action proportionate to the issue and in line with PCC policy.
<p>24. The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> • Prevention • Detection • Investigation • Sanctions • Redress 	<p>Yes</p> <p>The Strategy and Response Plan lays out in detail what actions are taken / considered at each stage of Counter Fraud work.</p>
<p>25. The fraud response plan is linked to the audit plan and is communicated to senior management and members.</p>	<p>Yes</p> <p>DAP is working to link the audit / risk and counter fraud disciplines to ensure that an ‘Integrated Assurance’ service is provided. This integration is now being improved and encouraged across the Partnership (DAP) The Response Plan and Strategy have been approved by the Audit and Governance Committee via normal senior management checking and sign off processes.</p>
<p>26. Asset recovery and civil recovery is considered in all cases.</p>	<p>Yes.</p> <p>Recovery process is undertaken by the relevant sections / departments within PCC. Where appropriate PCC Legal Team will request Proceeds of Crime POCA or Unlawful Profit Orders as required.</p>
<p>27. There is a zero tolerance approach to fraud and corruption which is always reported to committee.</p>	<p>Yes</p> <p>There is a “zero tolerance approach to fraud, endorsed by the Audit & Governance Committee.</p> <p>Instances of fraud and corruption are reported to the Audit & Governance Committee. Due to the sensitive nature of potential offences details are not revealed in the public domain unless the case has been heard before an open court.</p>
<p>28. There is a programme of proactive counter fraud work which covers risks identified in assessment.</p>	<p>Yes</p> <p>Proactive counter fraud work is delivered in a variety of ways each year. Some examples of how this is achieved include:-</p> <ul style="list-style-type: none"> • Participation in the bi-annual National Fraud Initiative (NFI) • Elements of internal audit work focused on controls that may be more susceptible to fraud risk • Work by Service Managers – such as Council Tax Single Persons Discount review

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	<ul style="list-style-type: none"> Internal data matches undertaken by DAP CFST
29. The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	<p>Yes</p> <p>The CFST has offices within PCC's Ballard House Offices, it works with agencies as a matter of standard operating procedure. For example -</p> <p>Trading Standards</p> <p>The Department for Work and Pensions (DWP)</p> <p>HM Revenue and Customs</p> <p>Police</p> <p>Action Fraud</p> <p>Other Local Authorities</p> <p>Cabinet Office</p>
30. The local authority shares data across its own departments and between other enforcement agencies.	<p>Yes</p> <p>As required internally and to the CFST. Other agencies which have a valid requirement for the data to prevent / detect crime will be given access. The Cabinet Office (NFI) is a bi annual exercise where large amounts of data are lawfully shared to prevent and detect fraud.</p>
31. Prevention measures and projects are undertaken using data analytics where possible.	<p>Yes.</p> <p>Such examples include making good use of</p> <ul style="list-style-type: none"> the NFI Council Tax - Single persons discount review CFST Data Matching
32. The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	<p>Yes.</p> <p>Data is submitted every two years, with "matches" then investigated in accordance with the scoring of the match (e.g. higher scored matches reviewed first, lowest reviewed last and in accordance with resources available).</p>
33. There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	<p>Yes</p> <p>PCC has access to fully Accredited Counter Fraud Specialists for all investigations via DAP as detailed in 18 above.</p>
34. The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	<p>Yes</p>

CIPFA / CIFAS expected Local Authority response to the risk of fraud and corruption.	Plymouth current position and action
	The CFST along with Audit colleagues have extensive knowledge in many areas of Council business. Where that knowledge is weak then the PCC contacts / staff knowledge would be utilised to maximise effectiveness of investigations and or risk assessing.
<p>35. The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> • Surveillance • Computer forensics • Asset recovery • Financial investigations. 	<p>Yes</p> <p>PCC accesses to all of these disciplines -</p> <ul style="list-style-type: none"> • All DAP ACFS's are trained in Surveillance techniques and in the Regulation of Investigatory Powers Act 2000 (RIPA) which governs such activity. • DAP has access to computer forensic software and suitably trained individuals for relevant investigations. • Asset recovery is supplied via Council enforcement and legal teams as required • Financial Investigators are available through DAP and the wider partnership.
<p>36. Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.</p>	<p>Yes.</p> <p>The Council is committed to ongoing and continual improvement. Any weaknesses identified by fraud investigations will be addressed wherever possible, although it should be noted that no system can ever be considered 100% free from the risk of fraud.</p> <p>Where weakness are detected they are fed back to the relevant Department and Policy and processes are strengthened to prevent future criminality.</p> <p>It should be noted however that fraud risk is inherent in some systems and even with relevant changes fraud risk will never be totally eliminated.</p>

Our Vision

To be a leading provider of internal audit, counter fraud, risk management and other assurance services to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- CFT to co-ordinate / undertake irregularities work coming through the audit plan
- Potential irregularities are triaged to fraud or audit for review
- Proactive fraud work e.g. NFI, developing delivery plan at client level
- Investigation work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks
- Audit scoping to include counter fraud input
- Three-way liaison confirming risk and control
- Integrated reporting to be delivered on a case basis

Our Goals



Client Services

- Counter Fraud Strategy with each client
- Regular client liaison Mtgs.
- POC access to additional integrated services
- CF Service plan with each client for both pro-active and re-active services
- Joint Partner CF work e.g. SPD
- Client training on Fraud Awareness

IA, Risk & CF Working Together

- Joint Working Practices
- Joint scoping of audit and Irregs
- CF Risk Assessment Review - CIFAS
- Joint IA & CF plan
- Pro-active **Prevention** work
- Pro-active **Detection** work
- Effective **Investigation**
- NFI work co-ordinated by CFT

Efficiency

- Restructure of Team work plan (releasing resources)
- Joint working practices
- Single Point of Contact for Fraud and Irregs

Infrastrucure

- Budget - Costcentre focused
- Laptops for CFT
- ICT Platform & common network access
- Data Sharing Agreements updated
- Terms and Conditions review

Integration