

Appendix B: Counter Fraud and Corruption Strategy Action Plan

Ongoing Activity:

Ref	Action Required	Responsibility	Update	Status
1	Prepare a counter fraud strategy which acknowledges fraud risks facing the council and sets overall counter fraud aims. The strategy should link together existing counter fraud related policies and set out actions required for developing counter fraud arrangements.	Chief Finance Officer / Veritau	The strategy, which was first introduced in 2017, is expected to be updated in 2020 when the Fighting Fraud Locally board issues a revised counter fraud strategy for local government.	Annual Review
2	Prepare an updated counter fraud policy to take account of the latest national guidance, and reflecting changes to the councils counter fraud arrangements.	Chief Finance Officer / Veritau	<p>An updated policy was presented to the Audit Committee in January 2017 for comment. The policy was subsequently approved by the Executive in April 2017.</p> <p>The policy has been reviewed as part of this report - no updates are required at this time.</p> <p>The Investigatory Powers Act 2018 is expected to grant local authorities additional powers to gather telecommunications data. Also expected in the current financial year</p>	Annual Review

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			<p>are joint working proposals from the DWP.</p> <p>Both these factors may require an update to the Counter Fraud policy in the next year.</p>	
3	Undertake a counter fraud risk assessment.	Chief Finance Officer / Veritau	<p>A risk assessment was first undertaken in September 2016 and was updated in January 2018.</p> <p>The risk assessment will be updated on an annual basis, see appendix C for 2019 update.</p>	Annual Review
4	Participate in regional & local data matching and counter fraud exercises.	Veritau	<p>Data matching exercises are undertaken on a rolling basis. Recent focus has been on Council Tax related fraud. This is an ongoing project - periodic matching exercises will be undertaken on a rolling basis.</p> <p>The council has participated in a pilot business rates data matching exercise with the National Fraud Initiative (NFI) alongside regional partners.</p> <p>The 2018/19 National Fraud Initiative exercise is underway. Resulting data matches are expected in February 2019.</p>	Ongoing

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5	Undertake specific fraud awareness training for priority service areas identified through the fraud risk assessment.	Veritau	Training is delivered on a rolling basis depending on priorities and emerging fraud risk. Area specific training has been delivered to the Benefits, Council Tax/NNDR and HR teams in 2018/19. A short update was also given at an all staff briefing session.	Ongoing
6	Review privacy notices to ensure they make clear that data will be shared for the purpose of preventing and detecting fraud.	Veritau / Service departments	Privacy notices are reviewed ahead of providing data to the Cabinet Office as part of the National Fraud Initiative (NFI) which occurs every two years. Privacy notices were reviewed as part of the 2018/19 NFI exercise and were updated to reflect requirements under GDPR.	Ongoing
7	Raise awareness of cyber security issues and promote good practice.	Veritau	Veritau will monitor guidance from the National Cyber Security Centre and share with members of staff where appropriate. A campaign to raise awareness of the signs and risks of cybercrime will be delivered to staff in 2019/20.	Ongoing

One Off and Developmental Activity:

Ref	Action Required	Target Date	Responsibility	Notes
1	Incorporate general counter fraud awareness training into induction training for all new employees.	March 2019	Veritau	<p>Veritau is in the process of rolling out a third party online counter fraud training package at a number of clients.</p> <p>Opportunity for this or alternative options will be considered in consultation with management and implemented within available resources.</p>
2	Increase ability to detect procurement fraud.	NA	Corporate Director & s151 Officer / Veritau	<p>The counter fraud team is exploring the use of the Competition and Markets Authority's cartel screening tool to detect fraud within council procurement exercises.</p> <p>There are some technical issues to overcome to load the software onto council systems. These issues have affected organisations nationally and the CMA is reviewing the product in 2019.¹</p> <p>Once resolved, Veritau will liaise with the relevant departments to develop use of the tool.</p>
3	Improve prevention and detection strategies for Right to Buy Fraud	March 2020	Veritau / Service departments	National reports of detected RTB fraud continued to increase between 2016/17 and 2017/18. False applications to the Right to Buy scheme remain a significant source of potential financial loss to local authorities. Building on successful strategies employed with other

¹ United Kingdom Anti-Corruption Strategy 2017-22 – Year One Update

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				Veritau clients, the counter fraud team will deliver training and utilise data matching to increase the likelihood that fraud in this area is detected.
4	Ensure that up to date policies are in place to enable the council to undertake covert surveillance under the Regulation of Investigatory Powers Act (RIPA) and employee monitoring outside of RIPA.	August 2019	Veritau / Legal Department	Covert surveillance and employee monitoring are powerful tools that assist in the investigation of fraud and criminality against and within the council. Up to date policies are necessary for the council to be able to undertake these actions. The counter fraud team will review council policy and recommend changes to ensure that action can be taken if the need ever arises.

Completed Activities:

Ref	Action Required	Target Date	Responsibility	Update
1	Regularly report to the Audit and Governance Committee on counter fraud activity.	January 2017	Veritau	Regular reporting to the committee on fraud activity was introduced in 2017. Four progress reports and one annual policy review are produced for the committee annually.
2	Review wider governance and other policies (eg employee related policies, gifts, interests, financial regulations) to ensure they: <ul style="list-style-type: none"> cover all required areas (eg anti-bribery) are consistent with the counter fraud strategy and policy. 	March 2017	Veritau	Council policies are regularly reviewed in the course of Internal Audit work. Reviews to date have not highlighted any potential weaknesses.
3	Launch and promote regional fraud hotline.	September 2017	Veritau	A new 0800 regional fraud hotline number was introduced in 2017.
4	Review council recruitment processes.	September 2018	Veritau	A review of recruitment processes was completed in 2018/19 and found to be robust.