



City of Westminster

Audit and Performance Committee Report

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| Meeting: | Audit and Performance Committee |
| Date: | Tuesday 9 th July 2024 |
| Classification: | For General Release |
| Title: | Counter Fraud 2023/24 – Annual Report |
| Wards Affected: | All |
| Financial Summary: | No direct financial implications arise from this report. |
| Report of: | Gerald Almeroth, Executive Director of Finance and Resources |
| Report author: | Andy Hyatt, Tri-borough Head of Fraud email: Andrew.hyatt@rbkc.gov.uk 020 7361 2777 |

1. Executive Summary

- 1.1 The Audit and Performance Committee's Terms of Reference require that the Committee receive reports on internal and external fraud investigated by the Council. This report is intended to brief members of the Committee regarding work undertaken by the fraud service from 1 April 2023 to 31 March 2024.

2. Recommendations

- 3.1 The Committee notes the content of the report and the Anti-Fraud and Corruption Strategy 2024/27.

3. Reasons for Decision

- 3.2 To inform Members how the City Council delivers its anti-fraud and corruption strategy.

4. Background

- 4.1 This report provides an account of counter-fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2023 to 31 March 2024.
- 4.2 CAFS remains a shared service providing Westminster City Council with a complete, professional counter-fraud and investigation service for fraud attempted or committed against the authority.

4.3 All CAFS work is conducted within the appropriate legislation and through the powers and responsibilities set out within the financial regulations section of the Council's constitution. CAFS ensures the Council fulfils its statutory obligation under the Local Government Act 1972 to protect public funds and to have an effective system of preventing and detecting fraud and corruption.

4.4 For the period 1 April 2023 to 31 March 2024, CAFS identified 169 positive outcomes. The fraud identified has a notational value of £1,021,933, detailed in the following table. The table also compares the achievements against those for 2021/22 and 2022/23.

| Activity | 2021/22 | | 2022/23 | | 2023/24 | |
|------------------------------------------------------------------------------|--------------|-----------------------|--------------|-----------------------|--------------|-----------------------|
| | Fraud proven | Notional Values (£'s) | Fraud proven | Notional Values (£'s) | Fraud proven | Notional Values (£'s) |
| Housing application fraud | 17 | 77,710 | 16 | 50,191 | 18 | 61,719 |
| Right to Buy | 2 | 7,000 | 5 | 19,000 | 3 | 14,250 |
| Preventative Activity (<i>incl. proactive</i>) | 3 | 3,000 | 10 | 30,000 | 9 | 24,600 |
| Prevention subtotal | 22 | 87,710 | 31 | 99,191 | 30 | 100,569 |
| Tenancy Fraud (<i>Council and Registered Providers</i>) | 26 | 301,500 | 31 | 436,746 | 38 | 754,808 |
| Insider fraud | 3 | 37,000 | 1 | 2,500 | 3 | 15,000 |
| High/Medium risk fraud (<i>e.g. NNDR, Procurement, Duplicate invoices</i>) | 4 | 134,742 | 6 | 23,000 | 3 | 28,397 |
| Low-risk fraud (<i>e.g. Freedom Passes, Council Tax SPD</i>) | 5 | 3,788 | 23 | 41,292 | 8 | 29,499 |
| Parking (<i>B/Badge & Residents Permits</i>) | 79 | 130,222 | 46 | 63,730 | 28 | 50,160 |
| Detection subtotal | 117 | 607,252 | 107 | 567,268 | 80 | 877,864 |
| Proceeds of Crime (<i>POCA</i>) | - | - | 6 | 55,064 | 1 | 10,000 |
| Press Releases | - | - | 2 | 2,750 | 1 | 5,000 |
| Business Grant clawbacks | 8 | 97,860 | 1 | 58,222 | - | - |
| Deterrence subtotal | 8 | 97,860 | 9 | 116,036 | 2 | 15,000 |
| National Fraud Initiative (<i>fraud & error</i>) | 4 | 23,013 | - | - | 57 | 28,500 |
| Total | 151 | 815,835 | 147 | 782,495 | 169 | 1,021,933 |

4.5 During the period reported, CAFS investigated 634 cases, including 429 new referrals, and concluded 402 investigations. A conclusion could mean support of a successful prosecution, successful prevention that stops fraud, a detection that identifies fraud and prevents it from continuing, an action that deters fraud, or no further action where there is no case to answer.

4.6 The table below shows this activity and details the fraud types that comprise the closed cases and the active caseload from 1 April 2023 to 31 March 2024.

| Activity | Cases | Fraud types | Closed | Live |
|--------------------------------------------------|-------|-------------------------|--------|------|
| Live cases as of 01/04/23 | 205 | Tenancy & Housing cases | 136 | 126 |
| New referrals received | 429 | Insider fraud | 8 | 3 |
| Closed investigations (Positive outcomes 104) | 402 | Other Corporate | 47 | 27 |
| | | Parking and Blue Badges | 208 | 74 |
| Live cases as at 31/03/24 | 232 | POCA | 3 | 2 |

4.7 Noteworthy fraud case details are reported in Appendix 1.

5. Emerging Issues

5.1 This section informs members about new fraud types, risks, emerging trends, and future changes.

Economic Crime and Corporate Transparency Act 2023

5.2 The Economic Crime and Corporate Transparency Act 2023 (the "Act") has changed how corporate criminal attribution works for economic crimes and adds a new failure to prevent fraud offences to hold organisations to account if they profit from fraud committed by their employees.

5.3 Failure to prevent fraud offences applies to organisations doing business in the UK with a turnover of over £36m, a balance sheet total of over £18m, or more than 250 employees. This means local authorities are included.

5.4 Under the new offence, an organisation will be liable when an employee or agent commits a specified fraud offence for the organisation's benefit, and the organisation does not have reasonable fraud prevention procedures in place.

5.5 The aim is to discourage organisations from ignoring fraud by employees that may benefit them. The offence will encourage more companies to implement or improve prevention procedures, driving a significant shift in corporate culture to help reduce fraud.

5.6 There is a defence to having reasonable procedures in place to prevent fraud, and the suggested guidance follows six principles of compliance: top-level commitment, Risk Assessment, robust but proportionate procedures, due diligence, communication (including whistleblowing) and training, and monitoring and review.

5.7 The new offence does not have a commencement date. However, it is expected to take effect shortly after the government issues the full guidance.

6. Whistleblowing

6.1 The Council is committed to achieving the highest service standards, including honesty, openness, and accountability. The whistleblowing policy continues to be the primary support route for staff reporting concerns. However, since April 2023, CAFS has not received any new whistleblowing fraud referrals.

6.2 Although the volume of whistleblowing is not high, the Council's whistleblowing policy provides an essential safeguard for those who speak out. It is an important strand of the Council's overall approach to risk management and protection against fraud.

7. Anti-Fraud and Corruption Strategy

7.1 Appendix 2 contains the new Anti-Fraud & Corruption Strategy 2024/27. This latest strategy commenced on 1 April 2024 and builds on the progress made to date. It has been refined to reflect changes to our activity, which will be increasingly proactive, collaborative, and agile to anticipate changing environments. The new pillars will consist of Govern, Understand, Prevent, and Respond.

7.2 The outgoing 2020/23 Strategy has continued to drive the Council's fraud resilience throughout 2023/24, supporting the five themes: i) GOVERN, ii) ACKNOWLEDGE, iii) PREVENT, iv) PURSUE, and v) PROTECT. Therefore, this report has been structured to demonstrate how counter-fraud activity aligned with that strategy throughout this financial year and underpinned these themes.

i) GOVERN

A robust framework of procedures and policies

8.1 Anti-fraud policies and procedures provide a structured framework for preventing, detecting, and responding to fraud within the Council. They promote a culture of transparency, accountability, and compliance, essential elements of an effective anti-fraud strategy.

8.2 The framework not only discourages potential fraudsters but also showcases the presence of a set of rules and repercussions for fraudulent behaviour. It offers clarity and uniformity, minimising confusion and deterring unintentional or opportunistic fraud.

8.3 Policies and procedures also lay the groundwork for training initiatives, ensuring that employees are well-versed in identifying fraud and taking preventive measures through detailed guidelines. Ensuring everyone understands how fraud impacts the Council and how to prevent it will be one of the key themes of the new Anti-Fraud & Corruption Strategy 2024/27.

ii) ACKNOWLEDGE

Committing support and resources to tackle fraud

9.1 It is vital that the Council can call upon competent, professionally trained officers to investigate suspected fraud. All CAFS investigators are members of the Government Counter Fraud Profession, which provides a professional structure with common standards and competencies for those in counter-fraud roles.

- 9.2 CAFS also have two apprentices who are both studying to become members of the Government Counter Fraud Profession

Demonstrating that it has a robust anti-fraud response

- 9.3 Counter-fraud activity is reported to the Audit and Performance Committee twice yearly, detailing performance and action in line with the Anti-Fraud and Corruption Strategy.
- 9.4 CAFS reports on investigation outcomes, including successful detections, prevention activity, actions that deter fraud, or no further action where assurance is obtained that there is no case to answer.
- 9.5 Additionally, sharing successful anti-fraud efforts in the media can show a strong response against fraud and deter others from committing similar crimes by showing the consequences. Seeing the punishment for fraud can make people reconsider their actions, fearing the same fate. It highlights that justice is served and wrongdoings are not tolerated.

iii) PREVENT

- 10.1 The "Prevent" aspect of the Strategy focuses on detecting and preventing fraud, which is a key part of CAFS's work. It emphasises the importance of improving anti-fraud controls and processes.
- 10.2 CAFS emphasises to staff and management their duty to prevent fraud and corruption. They raise awareness through training that highlights the risks of fraud and the impact it can have on the Council and the community.
- 10.3 Tailoring fraud awareness to the relevant departments or services helps employees better understand how the training relates to their daily tasks. This training also empowers staff to act against potential fraud.

Corporate Investigations

- 10.4 Corporate investigations cover a wide range of different counter-fraud activities. The work in this area is varied and extends beyond counter-fraud investigations to incorporate activities contributing to the organisation's assurance framework.
- 10.5 Since 1 April 2023, corporate investigation tasks have expanded to encompass assisting HR in potential misconduct cases involving potential fraud and verifying employee qualifications. Furthermore, corporate investigations this year have covered areas such as adult social care and personal budgets, food vouchers, commercial waste, and issues concerning business rates.
- 10.6 Details of noteworthy corporate cases are reported in Appendix 1.

FraudHub

- 10.7 CAFS has previously informed the Committee about the growing concern of dual employment, where employees engage in secondary work that could impact their primary employment with Westminster or the interests of Westminster City Council.
- 10.8 Since April 1, 2023, CAFS has participated in a pilot program that involves cooperation between employment agencies and local authorities to detect cases of dual employment. Using the London FraudHub, the Council's payroll data has been cross-referenced with agency data to identify any irregularities that may suggest dual employment.
- 10.9 Through this initiative, four potential matches were found for Westminster City Council. After thorough investigations, it was confirmed that there were no issues, and the cases were closed. This outcome not only provides assurance to the organisation but also reflects the importance of collaboration and the use of data analytics to test the effectiveness of existing controls.

Housing/Tenancy Fraud

- 10.10 Given the desperate shortage of affordable homes, demand for social housing continues to grow. It is an asset to the public and often a lifeline to the people it's meant for. Detecting and stopping social housing fraud can help alleviate some of the strain on the Council's housing resources.
- 10.11 During the period from 1 April 2023 to 31 March 2024, CAFS successfully recovered 38 properties that were being misused. These properties comprised 28 Council properties, one temporary accommodation property, and nine local housing association addresses nominated to the Council for allocation to those in genuine need of housing support within the community.
- 10.12 A list of successful investigation activities regarding social housing is detailed in the table below.

| Landlord | Location | P/Code | Size (b/rooms) | Reason for recovery | Outcome | Notional value |
|----------|---------------------|--------|----------------|---------------------|------------------|----------------|
| WCC | Gloucester Terrace | W2 | 1 | false succession | Surrendered keys | £11,958 |
| NHG | Shelley House | W9 | 2 | non-residence | Surrendered keys | £21,272 |
| WCC | Queensborough Terr. | W2 | 1 | non-residence | Surrendered keys | £13,116 |
| WCC | Marlow House | W2 | 3 | false succession | Surrendered keys | £28,748 |
| WCC | Fountain Court | SW1W | 1 | non-residence | Court possession | £12,016 |
| WCC | Fir House | W10 | 2 | subletting | Court possession | £20,172 |
| WCC | Turner House | NW8 | 2 | non-residence | Surrendered keys | £21,272 |
| NHG | St Michaels Street | W2 | 2 | subletting | Surrendered keys | £21,272 |
| WCC | Swallow House | NW8 | 2 | non-residence | Court possession | £20,172 |
| WCC | Westbourne Terrace | W2 | 2 | non-residence | Court possession | £20,172 |
| WCC | Portnall Road | W9 | 1 | false succession | Surrendered keys | £13,116 |
| WCC | Abady House | SW1P | 1 | non-residence | Surrendered keys | £13,116 |
| NHG | St Michaels Street | W2 | 3 | non-residence | Surrendered keys | £28,748 |
| WCC | Missenden House | NW8 | 1 | false succession | Court possession | £12,016 |
| NHG | Randolph Avenue | W9 | 2 | non-residence | Court possession | £20,172 |
| NHG | Howard House | W1T | 1 | non-residence | Court possession | £12,016 |
| Temp Acc | Wardour House | W1F | 2 | subletting | Surrendered keys | £20,172 |
| WCC | Maryland's Road | W9 | 1 | false succession | Surrendered keys | £13,116 |
| WCC | Wingham House | NW6 | 1 | false succession | Surrendered keys | £13,116 |
| WCC | Gaydon House | W2 | 1 | non-residence | Surrendered keys | £13,115 |

| | | | | | | |
|-----------|---------------------|------|---|-----------------------|------------------|----------|
| WCC | Princess Mary House | SW1 | 2 | false succession | Surrendered keys | £21,272 |
| NHG | Westbourne Crescent | W2 | 1 | Subletting | Surrendered keys | £13,116 |
| WCC | Nash House | SW1V | 1 | Subletting | Surrendered keys | £13,116 |
| WCC | Buckshead House | W2 | 1 | Abandonment | Surrendered keys | £13,116 |
| L&Q | Coburg Close | SW1P | 1 | Non-residence | Court possession | £12,016 |
| WCC | Bond Mansions | W2 | 1 | False succession | Court possession | £12,016 |
| WCC | Schomberg House | SW1P | 2 | False succession | Surrendered keys | £22,172 |
| Sanctuary | Wardour House | W1F | 2 | False application | Surrendered keys | £21,272 |
| Dolphin | Ingestre Place | W1F | 3 | False application | Surrendered keys | £28,748 |
| WCC | Marne Street | W10 | 2 | False succession | Surrendered keys | £31,272 |
| WCC | Hide Tower | SW1P | 1 | False succession | Surrendered keys | £13,116 |
| WCC | Ingestre Court | W1F | 1 | RTB false application | Surrendered keys | £129,316 |
| WCC | Scott Ellis Gardens | NW8 | 1 | Abandonment | Surrendered keys | £13,116 |
| WCC | Tollgate House | NW6 | 1 | False succession | Court possession | £12,016 |
| WCC | Cheadle Court | NW8 | 1 | False succession | Court possession | £12,016 |
| WCC | Scott Ellis Gardens | NW8 | 1 | False succession | Court possession | £13,116 |
| Dolphin | Thorney Street | SW1P | 1 | False statement | Surrendered keys | £13,116 |
| WCC | Oversley House | W2 | 1 | False succession | Court possession | £12,016 |

10.13 Details of noteworthy corporate cases are reported in Appendix 1.

Right to Buy Scheme

10.14 CAFS is committed to thoroughly reviewing, examining, and validating all Right to Buy (RTB) applications submitted to the Council. Although there has been a slight decrease in the number of applications due to higher property valuations and interest rates, our crucial preventive work remains ongoing.

10.15 One specific case involved an RTB application for a flat located at Jordan's House on Capland Street. A diligent CAFS officer conducted a comprehensive review and found no issues regarding potential non-residency or subletting. However, during the checks, it was discovered that the applicant was receiving welfare benefits.

10.16 The tenant was requested to provide additional information, including completing an anti-money laundering form and details regarding their intended funding for the purchase. Unfortunately, despite these requests, no further information was received. Colleagues from leaseholder services subsequently informed CAFS that the RTB application had lapsed.

10.17 Similarly, RTB applications were also received from tenants residing at Littlejohn House on Lupus Street and Cottesloe House on Jerome Crescent. In both cases, the checks revealed that the tenants were receiving welfare benefits. Upon being asked for further details, they opted to complete RTB withdrawal forms, effectively terminating the RTB process.

10.18 It is crucial to emphasise that low-rent Council housing remains in hugely high demand, and it is of utmost importance that CAFS continues to scrutinise RTB applications diligently. This ensures that individuals do not misrepresent their circumstances to fraudulently obtain discounts or exercise their RTB right when they are not entitled to it.

Local housing associations

- 10.19 One element of the Anti-fraud and Corruption Strategy covers counter-fraud activity to protect public funds and reduce the harm that fraud can cause in the community. In support of this, CAFS continue to provide an investigative capability for critical stakeholders across the City of Westminster.
- 10.20 This is no more important than working with local housing associations to protect their stock from fraudulent misuse and ensure affordable housing is available to those in the community who need it.
- 10.21 During the year, CAFS recovered nine properties, on behalf of local housing associations, that were being misused, and that have now been nominated to the Council for allocation to those in genuine need of housing support within the community. Our work with local providers is vital in our efforts to protect the community from fraud and the harm it does.
- 10.22 CAFS has also been collaborating with Dolphin Living to verify their new housing applicants in Westminster and provide guidance on fraud prevention measures.
- 10.23 In a recent incident, a tenant falsely claimed to need a three-bedroom property due to gaining custody of their two grandchildren through the Family Courts. CAFS investigations revealed the deception, highlighting the submission of false information.
- 10.24 The support from CAFS has not only assisted Dolphin Living in safeguarding housing for those in need, but it has also led to enhancements in their policies and procedures. This includes implementing stricter measures for verifying the identity and dependency claims of applicants.

Parking investigations

- 10.25 CAFS continue to investigate the misuse of disabled parking badges and fraudulently claimed residents' parking permits. Although the direct monetary value of parking fraud is relatively low, the reputational risk concerning this area is significant for Westminster City Council.
- 10.26 During the period of 1 April 2023, to 31 March 2024, CAFS achieved successful outcomes in dealing with 28 individuals who misused disabled parking badges or obtained resident parking permits unlawfully. In many instances the misused disabled parking badges had been reported lost or stolen, accounting for half the cases detected.
- 10.27 Among these incidents, two individuals were successfully prosecuted for misusing a blue badge, while twelve others received formal cautions. Furthermore, CAFS took permanent possession of 8 badges that had been reported lost or stolen, preventing their unauthorised use, and resulting in £1,560 being paid to the Council for Penalty Charge Notices issued due to the misuse of these badges.

10.28 Cases of note are reported in Appendix 1.

iv) PURSUE

11.1 Stopping fraud and corruption from happening in the first place must be our primary aim. However, those who keep on trying may still succeed. It is, therefore, essential that a robust enforcement response is available to pursue fraudsters and deter others.

National Fraud Initiative

11.2 A vital component of the anti-fraud and corruption strategy is making better use of information and technology. To this effect, the Council participates in the biennial National Fraud Initiative (NFI), an electronic data-matching exercise coordinated by the Cabinet Office.

11.3 Over 1,200 public and private sector organisations participate in the NFI, including councils, the Police, hospitals, and nearly 100 private companies, all helping to identify potentially fraudulent claims and errors.

11.1 The 2022/2023 NFI exercise began with a data extraction in September 2022, and initial referrals were disseminated to participants in March 2023. Since then, 972 matches have been reviewed. Of these matches, 909 have been closed, while 107 cases remain under investigation. Outcomes to date are detailed below.

| Matches | Fraud/Error | Amounts |
|-------------------------------------------------------------------|--------------------|----------------|
| Student Loans (reported in 22/23) – currently pending prosecution | 1 | £14,631 |
| Waiting Lists (reported in 22/23) | 1 | £4,380 |
| Tenancy Fraud – property recovered | 1 | £13,115 |
| Corrected Tenancies (low-risk fraud) | 57 | £28,500 |
| | 60 | £60,626 |

11.4 The collation of data for the next 2024/25 matching exercise will commence in September 2024.

v) PROTECT

Protecting the Authority and its' residents from fraud

12.1 This element of the Strategy covers counter-fraud activity to protect public funds, saving the Council from fraud and protecting itself from future scams. It also includes reducing the harm that fraud can cause in the community.

Education

12.2 The Council is responsible for ensuring that children receive an education, and CAFS assist the Council's education department in cases where there are concerns about a child's full-time school attendance.

- 12.3 CAFS make efforts to determine the child's location, and the information they gather allows education staff to either transfer this responsibility to the new authority if the child has left RBKC, or to communicate with the parents to confirm if the child's educational situation has changed, such as attending a private school or being homeschooled.
- 12.4 Between 1 April 2023 and 31 March 2024, CAFS managed to locate 14 families. Seven were on behalf of Special Education Needs, and seven were cases for the missing education team.

David Hughes
Tri-borough Director for Audit, Fraud, Risk and Insurance

Local Government Access to Information Act – background papers used:
Case Management Information

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| Action | Objectives | Outcomes |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Fraud prevention - intermediate rent scheme</p> | <p>Dolphin Living offers affordable rental housing in London for individuals with lower incomes. CAFS has been collaborating with them to verify applicants in Westminster and provide guidance on fraud prevention measures.</p> <p>Dolphin Living approached CAFS for assistance on a new development adjacent to Marylebone High Street, comprising 25 units of various sizes.</p> | <p>Dolphin Living approached CAFS for assistance on a new development adjacent to Marylebone High Street, comprising 25 units of various sizes. CAFS already has an operational Memorandum of Understanding with them, so this exercise complemented the services already provided under our established working relationships.</p> <p>Applicants eligible for the new intermediate rent scheme had to confirm low income, lack of significant savings/capital or property ownership, and citizenship. CAFS conducted a risk assessment of the scheme's criteria and developed a set of inquiries to verify the applicants' declarations accurately. Each applicant was vetted against this schedule, and a report summarising the findings was submitted to Dolphin Living for their decision on placements.</p> <p>Through these checks, inconsistencies were identified, leading to the rejection of three applicants who were informed they were no longer eligible for future intermediate rent schemes. One applicant falsely claimed to need a three-bedroom property due to gaining custody of their two grandchildren through the Family Courts. CAFS investigations revealed the deception, highlighting the submission of false information.</p> <p>The support from CAFS has not only assisted Dolphin Living in safeguarding housing for those in need, but it has also led to enhancements in its fraud prevention policies and procedures. This includes implementing stricter measures for verifying the identity and dependency claims of future applicants across their schemes.</p> |

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| <p>Fraud prevention - intermediate rent scheme</p> | <p>Soho Housing offers affordable rental housing and wanted assistance vetting new applicants to one of their intermediate rent schemes.</p> <p>Having initially approached Homes for Westminster, they were advised to liaise with CAFS.</p> | <p>CAFS has an established Memorandum of Understanding with Soho Housing. Therefore, the request for assistance further strengthened the existing working relationships.</p> <p>Applicants interested in Soho's intermediate rent scheme were required to confirm their low income, lack of significant savings/capital or property ownership, and citizenship. CAFS then conducted thorough inquiries to validate the applicants' statements. Each applicant was assessed based on these criteria, and a detailed report outlining the results was provided to Soho Housing.</p> <p>During the verification process, discrepancies were discovered, resulting in the disqualification of two applicants who were notified that they no longer met the criteria for future intermediate rent schemes.</p> <p>Following the successful collaboration, Soho Housing expressed its interest in continuing to collaborate with CAFS to assess eligibility for similar schemes in the future and to prevent fraud related to affordable rental accommodations in the City of Westminster.</p> |
| <p>Fraud awareness training</p> | <p>CAFS delivered a School Fraud Awareness training session to sixteen School Business Managers from schools across both RBKC and Westminster City Council.</p> <p>CAFS has planned training for Headteachers in April and hopes to complete a final session with school governors in 2024.</p> <p>The training includes examples of recent fraud at schools, providing insight into potential fraud indicators.</p> | <p>Activity: Fraud awareness training plays a vital role in detecting and preventing fraud. By receiving training on various types of fraud schemes, red flags, and investigative techniques, School Business Managers can enhance their ability to identify potentially fraudulent activities during business.</p> <p>The course aims to equip School Business Managers with the knowledge of common fraud risks and the techniques used to manipulate processes or circumvent controls. The session also included a video entitled <i>Crooks on Campus</i>, which is presented as a drama but is based on real-life events of student fraud and fraud in educational institutions.</p> <p>After the school fraud awareness session, CAFS received reports of two phishing attempts that schools were able to identify and prevent. Consequently, CAFS promptly issued an alert to all other schools across RBKC and Westminster. CAFS was pleased to see that these incidents demonstrated the effectiveness of the fraud awareness sessions in helping schools detect and report suspicious emails.</p> |

Case Description

1. **RIGHT TO BUY:** Following concerns regarding a fraudulent right to buy a property in Jessel House, an investigation was instigated. The referral suggested that the tenant was living with his wife in a property that she owned in Enfield. At the same time, he sublet the Westminster address before applying to purchase the address under the Right to Buy Scheme.

Initial enquiries confirmed that he was linked to an address at Joyce Avenue, Enfield, where he was liable for the Council Tax, recorded on the electoral roll, held financial records, and his Company Directorship.

The investigator then established that the Westminster property had been sub-let from August 2013 to September 2014 to a couple and traced payments totalling £8,300 from these subtenants into our tenant's bank account. It transpired that the rental charge was £650pcm.

A chronology of events at this point showed he was still subletting Jessel House and living in Enfield when he tendered an application to purchase the property under the Council's Right to Buy Scheme (RTB). The sale was completed in May 2015, with the Social Housing tenancy ending on 10th June 2015 and the tenant receiving an RTB discount of just over £100,000.

He was subsequently interviewed under caution in the presence of his legal representative. He answered "no comment" to all questions.

The matter was passed to Legal Service, who summons him to court, citing three counts of fraud:

1. Falsely acquiring the Council property
2. Sub-letting the Council property
3. Falsely acquiring it under the RTB scheme

The matter was adjourned several times before a three-day trial finally took place at Southwark Crown Court beginning on 19th June 2023, where the defendant employed a King's Counsel to defend him during these proceedings.

The investigator gave her evidence over the first two days of the trial before the defendant gave his evidence. He confirmed that despite marrying his wife in 2009, he never lived with her. He stayed with his parents before being granted the Council property at Jessel House. She resided on Joyce Ave with her mother. He would visit her at weekends and then return to his Council flat at Jessel House. He admitted to paying all the bills at Joyce Avenue only out of husbandly duty and not because he lived there.

He was asked about the subtenants. He argued that the male subtenant was a friend from work and that he let them stay from 2013 to 2014 as they needed somewhere to live. He claimed that as he worked days and nights, they didn't see much of each other and so could manage the small living space effectively. He argued that the £650 he received from them monthly was not for rent. It was for their share of the food, bills, etc. It was claimed that this amount was far more than his Council rent. Still, he argued that the bills were costly for the property once everything had been accounted for.

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| | <p>The defendant denied filling out the initial housing applications. He stated that he had signed them but that his brother had completed them, as he was the only one in the family with a decent grasp of English. It transpired during cross-examination that the defendant had attended Middlesex University while studying for an undergraduate degree in biomedical sciences. It was put to him that his English must have been perfectly acceptable. He denied this.</p> <p>On the fourth day, the jury was sent out to deliberate. They took four hours to decide that he was guilty on all three Counts.</p> <p>The sentencing hearing took place at Southwark Crown Court on 12th December 2023, where the defendant was sentenced to two years of suspended prison sentence, 150 Hours of community work, electronic curfew for the next three months between the hours of 9 pm and 6am. Additionally, the defendant's assets have been frozen, and a confiscation proceeding will commence later in 2024.</p> |
| <p>2.</p> | <p>SUCCESSION: Following the death of a tenant at Tollgate House, NW6, an application to succeed the tenancy by his son was met with scepticism. The tenant's son claimed to have resided at the property for two years prior to his father's passing, but there was no evidence to support this claim. The father had been the sole named tenant and had even received a single-person discount on his council tax bill.</p> <p>The son provided two letters to prove his residency, one from his mother and another from an ex-partner. Additionally, he presented a letter from a doctor's surgery stating that he was a patient there and that they had his address on file at Tollgate House. However, upon investigation, it was discovered that the alleged author of the doctor's letter confirmed it was false and stated that the son had never been a patient at the surgery.</p> <p>During the initial interview by investigators, the son arrived with an individual posing as a solicitor, who proceeded to obstruct the proceedings. As a result, the interview was unable to take place, and they were asked to leave. A second interview was scheduled, which the son attended with his mother but without a solicitor. He claimed to have difficulty recalling when he initially moved into the flat but estimated it to be approximately three years before his father's death. He stated that he slept in the living room while his father occupied the only bedroom. Although he admitted to submitting the succession application, he claimed to have no recollection of providing the doctor's letter. He vehemently denied any involvement in forging it, asserting that if he had wanted to fabricate something, he would have done a better job. He was unable to provide a satisfactory explanation for the letter's presence, simply stating that he discovered it in the house.</p> <p>The case was then presented to Legal Services, leading to repossession action and eventually a three-day trial. As the case papers were being compiled, additional witness statements were obtained. During this process, the alleged author of the falsified doctor's letter recalled that the son's sister worked at the surgery at the time and suspected that she falsified the letter. Furthermore, during the file collation process, CAFS managed to gather evidence that the son had previously been stopped by the police for using a Disabled Blue Badge registered under his deceased grandmother's name. His explanation for using it was that he had found it in the house.</p> <p>Prior to the trial, the son provided a document from someone claiming to be his employer. However, CAFS conducted checks and discovered that this document was also false.</p> <p>The trial took place at Central London County Court and was presided over by HHJ Luba KC. The son, along with his mother, ex-partner, and his employer, were scheduled to give evidence. However, the employer failed to appear.</p> |

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| | <p>Having heard all the evidence, the judge summarised the case, emphasising that the doctor's letter had been fraudulently produced and implicating the son's sister. They also highlighted the act of dishonesty regarding the Blue Badge, which was consistent with the overall conduct of the defendant. Additionally, the employer's documents were found to be fraudulently produced to support the succession application. The testimonies of the mother and ex-partner were deemed unreliable as they contradicted other evidence in the case, and the testimonies of the friends were deemed misguided and did not contribute to the key points of the case.</p> <p>In conclusion, the judge found that the evidence of the son was entirely unreliable, and he was found to be dishonest, citing a total lack of evidence, which pointed to a decision to deceive. The judge awarded the Council possession in 14 days. Costs were ordered, but because the defendant was on Legal Aid, it was noted they would not be paid. An assessment of the Legal Aid claim was ordered.</p> |
| <p>3.</p> | <p>INTERMEDIATE RENT SCHEME: CAFS works closely with Homes For Westminster to check and verify applications to the Council's intermediate rental schemes.</p> <p>One such application was littered with discrepancies that suggested fraud, leading investigators to identify a second suspicious application linked to the same people.</p> <p>In the first application, fictitious addresses were provided, along with false landlord details. Furthermore, the reason for the application and the need for a bigger property was to care for the applicants' elderly parents. However, these same elderly parents were the named applicants on a second false claim, where they wanted a bigger three-bedroom address to care for and look after their grandchildren.</p> <p>Ultimately, the false applications revealed an individual who had two tenancies. One is private, in Ingestre Place, and one is at Wardour House with social housing provider Soho Housing.</p> <p>The evidence of multiple tenancies was shared with colleagues at Soho Housing, and this has led to the recovery of the two-bedroom flat in Wardour House, Wardour Street, that can now be let to a family in genuine need of assistance.</p> |
| <p>4.</p> | <p>RESIDENT PARKING: Parking services in Kensington and Chelsea expressed concerns about a resident who appeared to possess a Westminster resident's parking permit while also holding a permit for the exact vehicle in Kensington.</p> <p>The case was assigned to one of the CAFS apprentices, whose subsequent investigation confirmed that the individual was no longer resident on Randolph Avenue, where they had legitimately obtained the Westminster permit. However, they had since vacated but failed to inform parking services of this change in their circumstances.</p> <p>Based on the information gathered, the Westminster permit was immediately cancelled. The individual was sent correspondence explaining the reasons for the cancellation and why they were no longer eligible for a Westminster permit.</p> |

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| <p>5.</p> | <p>EMPLOYEE: The Council's human resources were alerted to suspicious activity concerning an employee and the wrongful distribution of food vouchers. Colleagues at a local food bank became suspicious when they spotted multiple referrals generated by the same WCC employee, containing duplicated customer names and telephone numbers that were out of service.</p> <p>Further suspicion arose when the food bank's food vouchers were redeemed in a particular area outside Westminster City Council, close to the employee's home address.</p> <p>People Services has commenced preliminary enquiries, but the case was referred to CAFS for additional investigative support.</p> <p>The CAFS investigation found that the employee had abused their position within the Council by fraudulently applying for fourteen food vouchers totalling £750.00. The employee had emailed eight of these vouchers to himself and four to known associates. The remaining vouchers were sent to unknown individuals, but checks revealed that none were Westminster residents. All the vouchers were fraudulently redeemed at various locations outside of the borough.</p> <p>The employee was invited to an investigation meeting as part of the Council's disciplinary policy. However, they resigned, and it was accepted.</p> <p>When potential misconduct occurs, the Council will always consider whether disciplinary action should proceed regardless of a resignation. In this instance, the cost of further investigations and the impact on senior officers hearing the case meant it was not in the public interest to proceed, and the resignation was accepted.</p> |
| <p>6.</p> | <p>SUBLETTING: An anonymous tip-off was received saying that the tenant of a property in Nash House, Lupus Street, has been subletting his property and is suspected of living with his partner and their child in Hackney.</p> <p>An unnotified visit was completed to the property, where a female answered the intercom but would not come to the door. She provided limited information about who she was. She hung up and didn't engage any further.</p> <p>Upon returning to the office, the investigator undertook additional desk-based enquiries, which suggested information as to who the female was based on recent events, including the tenant attempting to add her as a household occupant.</p> <p>Using powers under the Prevention of Social Housing Fraud Act, the tenant's bank statements were obtained. They showed this female was paying him £500.00 per month, possibly rental payments, as this amount covered the rental liability.</p> <p>The tenant was asked to attend an interview. During the meeting, officers asked if they could visit his property after the discussion. He refused, eventually admitting that he lived in Hackney and that the female on the intercom was living at Nash House, covering the bills. He signed a relinquishment form, and the one-bedroom property was recovered unchallenged.</p> |

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| <p>7.</p> | <p>SUCCESSION: The Council received a statutory succession application for a two-bedroom property in Marne Street, Queens Park. Following the tenant's death, her son applied to succeed the tenancy. However, the housing team suspected it was fraudulent because the son was not a resident at the tenanted address during the qualifying period, i.e. 12months prior to the tenant's death. The son was listed as a resident, but the Council Tax records showed that he only moved into the property a few months before the death of his mother.</p> <p>Only a few supporting documents were submitted, so it was difficult to investigate retrospectively. However, an interrogation of Council records verified that he moved in a short while before his mother's death, and the bank statements provided in support of his application show significant time in Germany, which provided the investigator with a lead.</p> <p>Open-source checks showed he was linked to the English Theatre in Dusseldorf, where the investigator suspected he worked. Checks were made of his international travel. This showed that most of his travel concluded in Germany and led the investigator to locate a permanent address in Dusseldorf, supporting the investigator's theory that he lived overseas.</p> <p>His claim for succession was refused, but he appealed against the decision. However, he was unable to provide sufficient evidence to support the appeal, so possession proceedings were initiated. Details of the case compiled by the CAFS investigator were shared with the defence, and shortly after that, before any trial dates were set, the keys to the property were returned.</p> |
| <p>8.</p> | <p>SUCCESSION: CAFS conducted a thorough examination of a statutory succession application submitted by the daughter of a deceased tenant at Scott Ellis Gardens, NW8. Housing was suspicious because the applicant claimed to have resided at the property since 2019, and they had no record of her residency.</p> <p>Upon checking details against Council datasets, it was revealed that the late tenant had registered as the sole tenant in 2014. The only alteration made to the tenancy occurred in 2023 after the tenant's demise. Additional open-source and financial checks were made, and notably, there was no evidence of the daughter residing at Scott Ellis Gardens. Furthermore, the records indicated that Council officers had visited the tenant in both 2019 and 2020, documenting that the tenant lived alone.</p> <p>Considering these findings, the applicant was requested to attend an interview due to suspicions of falsifying her application. However, instead of arranging a meeting, she willingly agreed to return the keys and promptly surrender the property.</p> |
| <p>9.</p> | <p>DUAL WORKING: The Council was contacted by an engineering consulting firm regarding a concern about one of their employees who was working for the Council while also working full-time for the firm. The employee accidentally sent an email to colleagues at the firm using his Westminster email account. When confronted, he denied working for the Council but eventually resigned.</p> <p>Upon investigation, it was discovered that the employee had been working full-time for both organisations for the past six months without disclosing it.</p> |

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| <p>10.</p> | <p>QUALIFICATIONS: CAFS received an anonymous fraud allegation stating that a Council employee had lied about their employment history and had no formal training or qualifications.</p> <p>Westminster City Council adheres to government guidelines regarding pre-employment checks, known as the Baseline Personnel Security Standard, comprising four verification elements: Right to Work, verification of identity, Disclosure and Barring Service, and employment history checks.</p> <p>Although the details in the allegation were minimal, CAFS were able to identify the employee. However, CAFS could find no anomalies regarding their appointment or employment history to raise concern.</p> <p>When the matter was discussed with the service, management advised CAFS that the employee worked in a non-statutory service and that no specific training or qualifications were required in their current role. As a result, CAFS were able to close its investigation, and no further action was taken.</p> |
| <p>11.</p> | <p>COMMERCIAL WASTE: CAFS received an email complaint through their "report a fraud" mailbox, alleging that an employee had been providing a restaurant in Victoria with free commercial waste bags in exchange for complimentary meals and occasionally wine. According to the complainant, the restaurant was using approximately three bags per day, even though there were no records of the bags being obtained from the Council.</p> <p>In response to this issue, CAFS took immediate action and collaborated with the Council's contractors. As a result, one of their employees received a final written warning and was removed from the Westminster contract. Furthermore, suggestions were provided to the contractors on how to enhance their controls, and following an internal review, the contractors implemented additional safeguards to prevent and minimise the likelihood of such incidents occurring in the future.</p> <p>As a positive outcome, the restaurant has now resumed purchasing commercial waste bags from Westminster City Council.</p> |
| <p>12.</p> | <p>PERSONAL BUDGETS: An adult social care (ASC) referral via the Westminster 'report a fraud' portal suggested that a client does not need Direct Payments to support her care. CAFS reviewed the allegation and conducted enquiries to ensure whether payments were being used correctly. There was no evidence to suggest payments were being misused. Still, there was an early indication that the budget was mismanaged. Therefore, CAFS findings guided ASC to intervene, providing the client with additional support to assist with managing their care support funds and avoiding potential mismanagement that could conceal fraud or wrongdoing.</p> |

ANTI-FRAUD AND CORRUPTION STRATEGY 2024-2027

1. INTRODUCTION

- 1.1 Fraud is the largest crime type in the UK. By its very nature, fraud is hidden; therefore, detecting and stopping it poses a significant challenge. Additionally, fraud methodologies continue to change and evolve as society and technology change, so the Council needs to be alert and have the right capabilities and structures to combat it.
- 1.2 The challenge of protecting public money from fraud remains significant, with increased pressures placed on local authorities to support those struggling for economic or health reasons. Fraud against the Council means money intended to support and enhance communities, primarily funded by the taxpayer, ends up in the pockets of those not legitimately entitled to it. This means less money is available to spend on Council services or support.
- 1.3 The Council recognises that every pound lost to fraud is a pound that cannot be utilised for community support. Hence, the prevention of fraud and corruption is a collective responsibility, and the Council is fully dedicated to fulfilling its obligations. The Council is determined to safeguard public funds by fostering a strong ethical culture and implementing effective measures against fraud. This document outlines the Council's Strategy for combating fraud and corruption, serving to uphold this commitment.

2. FRAUD AND CORRUPTION

- 2.1 The Fraud Act 2006 details the legal definitions of fraud and is used for the criminal prosecution of fraud offences. The Council also deals with fraud in noncriminal disciplinary matters.
- 2.2 For this document, fraud is defined as the dishonest action designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Borough or the wider national community. This includes offences such as deception, forgery, theft, misappropriation, collusion, and misrepresentation. Although used in this context, it is not intended to limit the Council's full use of the Fraud Act 2006.
- 2.3 In the context of local authorities, fraud manifests itself in many different guises. Some examples include, housing and tenancy fraud, council tax, business rate, blue badge, social care fraud, internal fraud, bribery, and corruption.
- 2.4 Corruption refers to obtaining private gains from public office through the offering or acceptance of inducements designed to influence official action or decision-making. These temptations can take many forms, including cash, holidays, event tickets, meals, and other hospitality.

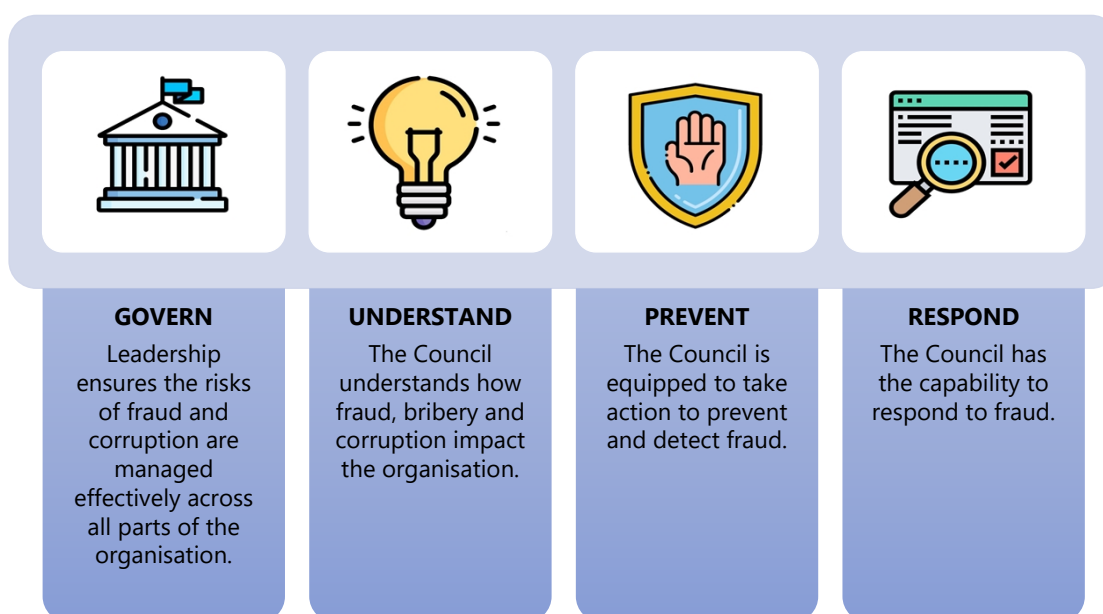
- 2.5 The Bribery Act 2010 allows individuals to be convicted where they are deemed to have given consent or tacit approval to giving or receiving a bribe. The Council has a separate **Anti-Bribery Policy**, which addresses bribery and the provisions of the Bribery Act in detail, including advice for staff on escalating concerns.

3. THE STRATEGY





- 3.1 The Anti-Fraud and Corruption Strategy forms part of the Council's counter-fraud framework, a collection of interrelated policies and procedures, including the Code of Conduct, Financial Regulations, Whistleblowing Policy, and Disciplinary Policy. It also includes policies and procedures targeted explicitly at countering fraud and corruption.
- 3.2 The Strategy provides management with a tool to ensure progress and transparency concerning counter-fraud activities. It is designed to heighten the Council's fraud resilience and demonstrate its protection and stewardship of public funds.
- 3.3 In developing this Strategy, the Council has adopted the guiding principles included in "*Fighting Fraud and Corruption Locally 2020*", the local government's counter-fraud and corruption strategy, and the CIPFA Code of Practice on "Managing the Risk of Fraud and Corruption".

4. STRATEGIC OBJECTIVES

- 4.1 Our strategy aims to build on the momentum gained from the previous approach, which focused upon five strategic pillars, where the Council concentrated its counter-fraud efforts. These pillars have been streamlined to reflect changes to our activity, which will be increasingly proactive, collaborative, and agile to anticipate changing environments. They are now GOVERN; UNDERSTAND; PREVENT; RESPOND.



4.2 The table below highlights some of the activity that will drive and support the strategic objectives.

|  GOVERN |  UNDERSTAND |  PREVENT |  RESPOND |
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| <ul style="list-style-type: none"> • The Council's leadership will take responsibility for ensuring anti-fraud, bribery and corruption measures are embedded throughout the organisation. • The risks associated with fraud will be communicated to those charged with Governance. • The Council will establish and communicate a framework of procedures and policies that demonstrate a commitment to integrity and ethical values and combine to act as an effective fraud deterrent. • The authority will perform evaluations periodically to provide unbiased assessments on the effectiveness of the investigation process and the anti-fraud and corruption Strategy. | <ul style="list-style-type: none"> • Identify and assess fraud risks, including new and emerging threats. • Continually review and maintain a Fraud Risk Register, which identifies, records, and assesses fraud risks across the Council and evaluates the mitigating controls. • Undertake a loss measurement exercise to determine the financial impact of fraud and inform risk assessments. • Develop effective horizon scanning to assist in identifying new risks or trends early. • Improve the awareness of fraud, including how it occurs and its impact on the Council, the community, and among our staff. • Develop and share good practices and lessons learned from all aspects of counter-fraud activity. • Raise awareness through a series of campaigns and the publication of fraud successes in local and national media, including using all forms of social media. | <ul style="list-style-type: none"> • Develop a fraud prevention and deterrence programme across the Council. • Introduce innovative data and proactive analysis approaches to identify and implement fraud prevention opportunities. • Examine and assess fraud prevention controls in process across the Council, considering a wide range of possible fraud schemes and risk exposure and recommending improvements where necessary. • Use data analytics techniques to test controls and obtain assurances as to their effectiveness. • Proactively promote and further enhance the Council's counter-fraud culture, heightening fraud awareness and understanding throughout the organisation and amongst the community. • Nurture an environment that enables the reporting of any genuine suspicions of fraudulent activity. • Monitor and review systems where self-declarations are required to support the Council's transparency to ensure compliance and integrity. | <ul style="list-style-type: none"> • Maintain a specialist resource to investigate suspected or detected fraud, corruption, and theft. • Ensure that the resources dedicated to combatting fraud are sufficient and those involved are skilled and configured to maximise the impact of investigations. • Enable the Council to apply appropriate sanctions, including criminal and civil proceedings, and the recovery of losses, where applicable. • Through positive action and enforcement, we will provide the public with assurances and overturn any negative perceptions of public sector fraud. • Continue using technology to tackle fraud, building new and enhancing existing capabilities. • Work with the police, enforcement agencies and communities to strengthen and continuously improve the Council's resilience to fraud and corruption. • Protect public sector funds through reductions in vulnerability to fraud and a reduction in fraud losses. |

5. MEASURING SUCCESS

3.2

5.1 The objectives in this strategy aim to build on the solid foundations we have created from the previous strategy, evolve, and rise to the new challenges that we face. Our successes by 2027 will include the following.



GOVERN

- An enhanced counter-fraud culture bolstered by the actions and transparency of leaders.
- The Council has robust arrangements and executive support to ensure counter-fraud measures are embedded throughout the organisation.
- The Council has a well-publicised collection of policies and procedures aimed at combating fraud.



UNDERSTAND

- The Council has seen an increase in awareness regarding fraud, with more individuals actively involved in combating fraud and a greater appreciation for the importance of counter-fraud efforts.
- A comprehensive fraud risk register is maintained and informed by a directory of fraud risks reviews and evaluations.
- Proactive measures are taken to identify and address emerging risk through effective horizon scanning and fraud risk assessments.
- We have implemented a process to measure and place value on the outcomes achieved by the counter-fraud function in terms of proactive and reactive counter-fraud work.
- All investigative activities and their resulting outcomes are recorded, with performance closely monitored and published across a range of channels.



PREVENT

- Lessons learned from counter-fraud activity contribute to a fraud prevention programme targeting control weaknesses and process vulnerabilities.
- A suite of counter-fraud training, guides and toolkits are accessible to staff throughout the organisation.
- The utilisation of data and technology will enhance our ability to work more efficiently and explore new avenues for preventing and detecting fraud.
- Learning from data analytics will assist us locating warning signs in datasets which are indicative of fraud.
- The deployment of prevention and disruption activities is a standard practice.



RESPOND

- Counter-fraud activity will yield measurable financial benefits, evidenced by a return on investment.
- Work collaboratively with partners to reduce fraud loss in public funds.
- The counter-fraud specialists possess the necessary skills that align with the various counter fraud activities, and they possess the ability and capacity to punish offenders.
- The counter-fraud specialists have the right skills commensurate with the range of counter fraud activity and has the capability and capacity to punish offenders.
- Counter-fraud staff possess knowledge about, and are provided with, opportunities for suitable professional growth and training.

6. MANAGING THE RISK OF FRAUD AND CORRUPTION

6.1 Everyone has a role to play in reducing the risk of fraud. However, Elected Members and Senior Management are ideally positioned to influence the ethical tone of the

Council and play a crucial role in fostering a culture of high ethical standards and integrity.

- 6.2 As with any risk faced by the Council, managers must ensure that fraud risk is adequately considered within their service areas and in support of achieving strategic priorities, business plans, projects, objectives, and outcomes. In making this assessment, it is essential to consider the risk of fraud occurring (i.e. proactive) rather than the actual incidence of fraud that has happened in the past (i.e. reactive). Once the fraud risk has been evaluated, management should take appropriate action to mitigate those risks on an ongoing basis, for example, through introducing and operating effective systems of internal control (“first line of defence”). Where of significance, fraud risks should be considered as part of departmental risk management processes and, if necessary, included in departmental risk registers.
- 6.3 Managers must remember that adequate supervision, scrutiny, and professional scepticism must not be seen as distrust but as sound management practices shaping attitudes and creating an environment that opposes fraudulent activity.
- 6.4 Through the Council’s Corporate Anti-Fraud Service, we will play a proactive role in fraud prevention and a robust reactive response where fraud is detected. Fraud prevention is critical, and fraud awareness and education are vital in mitigating fraud risk at the outset, particularly in high-risk areas and emerging fraud risks.

7. REPORTING CONCERNS AND ADVICE

3.3

- 7.1 The Council recognises that the primary responsibility for preventing and detecting fraud rests with management. If anyone believes that someone is committing fraud or suspects corrupt practices, these concerns should be raised directly with line management or their superior in the first instance. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved.
- 7.2 If that person feels management is involved or condoning the activity, you should approach either the Director of Human Resources or the Director of Audit, Fraud, Risk and Insurance. If the allegation relates to an elected member, then the Council’s Monitoring Officer must be notified.
- 7.3 Notifications will be treated with the utmost confidentiality. Any person who is implicated in the alleged offence must not be included in the notification procedure. Employees who wish to raise a serious concern should refer to the detailed **Whistleblowing Policy**.
- 7.4 Additionally, a concern can be raised by calling our confidential external whistleblowing hotline, Safecall, on 0800 915 1571 or by completing and submitting an online form via the Safecall website: www.safecall.co.uk.
- 7.5 When managers are made aware of suspected fraud by employees, they are also responsible for passing on those concerns expediently to the Director of Human Resources or the Director of Audit, Fraud, Risk and Insurance.

- 7.6 Where required, the Corporate Anti-Fraud Service, in conjunction with other services such as Human Resources, Legal Services, IT Services, will give advice and support to managers involved in fraud investigation, including evidence gathering, documentation and retention, disciplinary proceedings and, where relevant, referral to the Police or appropriate law enforcement agency.
- 7.7 The Council's approach to suspected fraud can be demonstrated in its **Fraud Response Plan**.

8. INVESTIGATIONS

- 8.1 To avoid potentially contaminating the evidence, managers should not investigate concerns themselves without seeking relevant authority. Instead, they should immediately report all suspicions of fraud or corruption, as detailed above, following the Fraud Response Plan.
- 8.2 Managers must seek advice from key professional services, e.g. Human Resources, Legal Services, Corporate Anti-Fraud Service, Internal Audit, and if relevant, ICT or the Housing Investigation Team, before undertaking investigations.