



Welwyn Hatfield Borough Council

Audit Committee

June 2024

Anti-Fraud Report 2023/24

Purpose

1. Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.
2. The Chartered Institute for Public Finance and Accountancy publicised its *Code of Practice on Managing the Risk of Fraud and Corruption* in 2014.
3. In March 2023, this committee approved the Anti-Fraud Plan for following 12 months which was developed with the Council's senior officers in partnership with SAFS. A copy of the Plan can be found here <https://democracy.welhat.gov.uk/documents/g1514/Public%20reports%20pack%2029th-Mar-2023%2019.30%20Audit%20Committee.pdf?T=10>
4. This report provides details of the work undertaken by the Council and the Shared Anti-Fraud Service to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2023/2024.

Recommendations

5. **Members are RECOMMENDED to:**
 - a) **Note the activity undertaken by the Shared Anti-Fraud Service (SAFS) to deliver the 2023/2024 Anti-Fraud Plan for the Council.**
 - b) **Note all Anti-fraud activity undertaken by Council Officers and SAFS to protect the Council and the public funds it administers.**

Background

6. National reports and alerts continue to be used by the Shared Anti-Fraud Service (SAFS) to ensure that the Council is kept up to date of all new and emerging fraud threats. This helps to mitigate or manage the Council's fraud risks through a programme of work including the Anti-Fraud Plan. Details of these reports, along with other recommended reading for Members, can be found below and at **Section 63** of this report.

7. Some of the most significant recent reports include:

Fighting Fraud and Corruption Locally a Strategy for the 2020's. This strategy focuses on the governance and 'ownership' of anti-fraud and corruption arrangements. The Strategy also identifies areas of best practice and includes a 'Checklist' to compare against actions taken by the Council to deter/prevent/investigate fraud. The checklist is maintained and reviewed by SAFS and officers.

UK Fraud Strategy 'Stopping Scams and Protecting the Public. The Government launched its latest anti-fraud strategy in 2023 aimed at bringing government, at all levels, and the private sector together to tackle fraud, pursuit and punishment of fraudsters, providing more recognition/awareness of fraud and how to avoid it.

Lost Homes, Lost Hope. This paper, published by the Fraud Advisory Panel & Tenancy Fraud Forum in April 2023 uses previous research and current data to estimate the volume and cost of fraud in the social housing sector and the impact of this on local government.

8. The Public Sector Fraud Authority (Cabinet Office) estimated, in its 2023 ***Cross Government Fraud Landscape Report***, that fraud and error cost the public purse at least £33bn each year. The last time that any effective national fraud measurement took place in local government was in 2017 and at the time fraud loss alone was estimated at 2.4bn annually.
9. The Public Sector Fraud Authority (Cabinet Office), Department for Levelling Up, Housing and Communities (DLUHC), National Audit Office, and CIPFA all continue to issue advice, and best practice to support local councils in the fight to combat fraud and prevent loss to the public purse.
10. It is essential that the Council has in place a framework that recognises its fraud risks and invests sufficient resources prevent and deter fraud, including effective strategies and policies, and a response to deal with alleged fraud when required.
11. Welwyn Hatfield Borough Council joined the Shared Anti-Fraud Service (SAFS). Members in April 2023 and since then this Committee and Senior Management Team have received reports about how this service works closely with the Shared Internal Audit Service and all service areas across the Council.

Report Summary- 2023/24

12. This report includes a detailed account of all anti-fraud activity during 2023/24. It is important to note that Council and SAFS work in close partnership and much of the work reported was undertaken or supported by Council officers.
13. The report reflect the Councils positive and robust approach to dealing with fraud, in its widest context, committed against the public funds it administers, This includes reactive and proactive activity and the use of technology and current best practice to prevent fraud occurring.
14. The reports indicates, in particular in the **Transparency Code Data** from section 57 below, some high levels of fraud detected in year, this includes both fraud prevented/ deterred as well as monies actually lost to fraud. In reality the levels of fraud prevented are much greater than those lost and this should provide high levels of assurance that the Councils investment in counter-fraud is saving public money and delivering an effective return on investment.

Report - Delivery of the 2023/2024 Anti-Fraud Plan

2023/2024 Plan

15. The Anti-Fraud Plan for 2023/24 was designed to meet the recommendations of the Fighting Fraud and Corruption Locally Strategy (FFCL), adopting the five 'pillars' of Protect, Govern, Acknowledge, Prevent and Pursue.
16. The Plan was designed to meet the Council needs based on known risks and a historic process in responding to these as well as any new and emerging risks. Resources and staffing were based on the Councils contribution to SAFS and an agreed work-plan of activity across the Council including both proactive and reactive projects.
17. The Plan **included** Key Performance Indicators (KPIs) for SAFS which were agreed with senior officers. KPI performance can be found at **Section 59**
18. Members will note this Committees role in ensuring that the Council meets its objectives to deter, prevent and pursue fraud.

Staffing & SAFS Performance

19. The SAFS Team (in April 2023) was composed of 23 accredited and trained counter fraud staff and is based at the Council's offices in Hertford.
20. Each SAFS Partner receives dedicated support and access to SAFS and for 2023/24 this was achieved by allocating a set number of operational days that could be drawn on to deliver all parts of the Anti-Fraud Plan. This might include work on fraud-risk assessment, fraud awareness training, proactive work such as the use of data-analytics or reactive work as part of the Councils fraud response. Providing the service in this manner allows more flexibility and resilience for SAFS in how its officers deliver the different elements of the plan.
21. For 2023/24 SAFS planned to provide 350 operational days to deliver the Councils Anti-Fraud Plan as well as the programme of work agreed, this was supported the SAFS management team. We were only able to record 270 days due to issues with a new Case Management System (CMS) introduced in April 2023 and the need to re-train staff on time recording during Q1/Q2 due to those issues. By Q3 we were reporting the correct number of days and based on this we believe that the Council received its full allocation of days, however we are unable to use the CMS data to corroborate this,
22. All SAFS officers are all fully trained and accredited and members of the Government Counter Fraud Profession or working towards this. The Profession is made up of various streams including fraud awareness training, fraud risk assessment, investigations, intelligence, data-analytics, and investigation management.

Fraud Awareness and Prevention

23. A key objective for the Council is to develop its anti-fraud culture. The Council achieves this by ensuring senior managers and elected members consider the risk of fraud when developing policies or processes; helping to prevent fraud occurring by having effective controls in place; deterring potential fraud through external communication and highlighting the checks the Council will undertake (asking for proof of ID or other evidence to support applications/claims) or actions that it has taken (prosecutions or investigations); encouraging all officers to report fraud where it is suspected, all of the above provides a profile for the Council's stance on fraud.
24. The Councils published Anti-Fraud and Corruption Policy (and associated policies) can be found here <https://www.welhat.gov.uk/policies/anti-fraud-corruption-policy/9>
25. The council's website has links for the public to report fraud by email, telephone or using the SAFS online reporting tool. As well as encouraging the public to report any suspected fraud to the Council: <https://www.welhat.gov.uk/homepage/106/anti-fraud> or directly to SAFS at www.hertfordshire.gov.uk/fraud.
26. Council staff can use the same methods to report fraud or they can report fraud directly to SAFS officers working on projects/cases for the Council or at workshops/ surgeries taking place at the Council offices.
27. SAFS delivered nine training sessions via face-to-face and virtual means during 2023/2024 including general fraud awareness, ID Fraud and AML awareness. Training was also provided to members of the Audit Committee on the risk and impact of fraud on local councils and an introduction to SAFS. Further training was provided on the services provided by National Anti-Fraud Service and National Fraud Initiative to Council officers.
28. The Council's has an e-learning system and its modules for anti-fraud, anti-bribery, anti-money laundering are being developed with SAFS to promote as part of face to face awareness sessions.
29. SAFS receives weekly/monthly/ad-hoc updates on new fraud threats or alerts from a variety of sources including National Anti-Fraud Network (NAFN), National Cyber Security Centre (NCSC), National Intelligence Service (NATIS), City of London Police & National Fraud Intelligence Bureau, Credit Industry Fraud Avoidance Service (CIFAS).

Executive Reports

30. Executive Reports (ER) analyse specific fraud incidents, providing an insight into how the fraud materialised, and making recommendations to strengthen processes and controls to prevent further fraud. These reports evaluate current controls and mitigation measures, pinpointing potential vulnerabilities and limitations that could lead to fraud. SAFS accompanies each ER with a

management action plan detailing recommendations and/or best practice to be adopted.

31. SAFS provided one ER for the Council in 2023 regarding the process for the refund of payments received. Managers in the service areas affected accepted and implemented all recommendations in the ER.

Case Study 1: Suspected Money Laundering

COUNCIL TAX ENQUIRY

Allegation received from WHBC that a Subject had in excess of £8k paid onto his property's council tax account in a two month period (council tax for property being £1.3k per year). Subject then asked for monies to be repaid to them as they were leaving the property.

SAFS enquiries showed that the monies paid into the account were made from several credit cards and these were not related to the subject. Credit card companies are currently treating the debt on the credit cards as bad debt.

Subject interviewed and confirmed that they had not paid the excess funds onto the council tax account, however, they had made the request for the excess funds to be refunded to them as the council account was shown in credit.

SAFS enquires identified no offences against WHBC and that the credit card companies were subject of a potential fraud, which they needed to report to Police.

32. To address fraud threats that are prevalent across all Partners, SAFS produces generic ER's which serve the collective interest. Three generic Executive Reports were shared with the Council in 2023/24, addressing the fraud risks within payroll, multiple employment, and the issuing of mayoral certificates/ letters of thanks/ appreciation.

Fraud Risk Assessments

33. Fraud Risk Assessment (FRA) constitutes a systematic evaluation of potential fraud risks within a council, designated service area, or particular scheme or process. SAFS outlined an FRA programme for the 2023/2024. This programme included FRA's focused on internal fraud risks, fraud risks within the procurement process, and recruitment. In 2023, SAFS released a generic assessment of the risk posed of undisclosed multiple employments (polygamous working) by agency staff.

Fraud Alerts

34. In 2023 SAFS introduced fraud alerts for our partners. These bimonthly fraud alerts provide officers with national and local intelligence to strengthen controls, and consider emerging and current fraud trends and threats. SAFS published five alerts in 2023/24 covering polygamous working, payroll fraud, money laundering and the rapidly developing threat of artificial intelligence used by fraudsters.

35. Complementing the bimonthly alerts are SAFS 'real time' fraud risk reports. These reports are circulated as soon as a significant risk is identified. In 2023/24 SAFS circulated five real time threat alerts which included internal fraud, cheque fraud, email account compromise and mandate fraud.

Case Study 2: Typical Fraud Alert issued by SAFS



Fraud Alert December 2023 – January 2024

This report provides SAFS partners with the latest local and national fraud threats that local authorities have experienced over the last quarter. The purpose of the report is to provide council employees with relevant intelligence to assist protect, prevent and mitigate against continued and persistent threats, as well as new and emerging ones.

NOT FOR WIDER CIRCULATION WITHOUT CONSENT

Microsoft User Credential Compromise

A finance officer received an email from a company they recognised, which contained a hyper link. The email appeared legitimate, but unknown to the council, the company had suffered an ICT breach..

The hyperlink redirected the officer to a fake Google page which requested their Microsoft credentials. This fake Google page captured their credentials and immediately used them to access the employees Microsoft account. This generated a multi factor authentication (MFA) prompt which the officer accepted believing it was a legitimate authentication.

The fraudster gained access the officers Office 365 account creating an email chain of communication with relevant officers within the authority, effectively approving a payment to a pension fund. The false email included a fake invoice and bank details for the transfer of 1.1 Million Euros, which was sent to the Treasury department from the compromised user.

Fortunately, the fraud was prevented when a very diligent officer in the Treasury Department identified that the bank details did not match previous transfers, and the request was queried.



Source: Powys County Council

SAFS Advice

- ALWAYS** hover over an embedded hyperlink to reveal where it is redirecting you. If it does not appear correct do not click on it. Contact the sender immediately on a previously used and trusted email address.
- Check contracts to ensure third party companies are mandated to notify the LA of any ITC breaches experienced. Vary contracts if required.

Artificial Intelligence - Invoice Fraud

SAFS recognise that the threat posed by AI is evolving at a rapid pace. To ensure that our partners remain informed and prepared to address emerging threats, we are committed to regularly reporting on these developments. This will enable you to implement effective processes and controls to mitigate new and emerging fraud risks.



A cybercriminal group known as GXC Team specialises in crafting AI tools to create fraudulent invoices used in mandate/invoice fraud attacks. On December 30, they unveiled an updated version of their AI-powered tool, named "Business Invoice Swapper", which is available to purchase on the dark web. The tool works by using compromised email accounts, which are scanned to identify messages that either mention invoices or include attachments with payment details. Upon detection, the tool alters the banking information to that specified by the fraudster. The altered invoice is then either replaced in the original message or sent to a predetermined list of contacts.

The software's ability to modify invoices in real-time communication chains enhances the deception, which may cause officers to bypass procedures for verifying differences in bank account details, as the communication appears to be uninterrupted from the supplier.

It is important to note that the majority of the identified victim accounts were located in the United Kingdom and the European Union.

SAFS Advice

- ALWAYS** follow process and procedure when managing requests for payment where bank details differ from those held.
- REMEMBER. STOP, THINK, CHECK!**

Source: securityaffairs.com (<https://securityaffairs.com/156863/cyber-crime/artificial-intelligence-tool-for-invoice-fraud.html>)

Report Fraud

If you have a concern about fraud or wish to discuss these threats in more detail please contact us.



SAFS Hotline: 0300 123 4033
fraud_team@herfordshire.gov.uk
© 2024 herfordshire.gov.uk

36. SAFS maintains a close working relationship with the Shared Internal Audit Service (SIAS) with both services exchanging knowledge and best practice. An excellent relationship has been built with the Council's Legal Team for both civil and criminal litigation matters.

Reactive and Proactive Fraud Investigation

37. During 2023/2024 SAFS received 92 ‘referrals’ (allegations) of fraud affecting council services, we don’t have any history of fraud reporting for the whole Council prior to 2023 but the volume, types and sources of reports are comparable to other SAFS Partners. Reporting of suspected fraud by staff and the public is good and indicates that staff know their fraud risks and when to report their suspicions and the public has confidence in reporting matters to the Council.

Table 1. Types of fraud being reported (in year):

Blue Badge	Housing Benefit/CTax Fraud	Housing	Business Rates/ Grants	Other	Total
6	33	42	5	6	92

**Other includes Mandate & Payment/ Payroll etc.*

Table 2. Who is reporting fraud:

Staff	Public	Proactive	Other Agencies	Total
33	47	11	1	92

38. It should be emphasised that not every referral will need to be investigated as some can be false, misleading, or simply incorrect. Every referral received is risk assessed and sifted by the SAFS Intelligence Team to determine next steps. In total, 37 allegations received in 2023/24 were not selected for investigation.

Table 4. ‘Failed’ Referrals

Failed Sift	No Action Required	Referred to 3 rd Party	SAFS Advice	Total
13	11	7	6	37

39. ‘Failed Sift’ is used where the allegation cannot be attributed to any service provided by the Council. ‘No Action Required’ are referrals where the subject can be identified but no error/fraud is apparent, or the Council is already aware of the facts reported in the allegation. Referrals that are passed to 3rd parties occurs where another agency, such as DWP or HMRC, is best placed to investigate the matter. ‘SAFS Advice’ is recorded when guidance/advice/support has been provided to Council officers, but a full investigation is not required to resolve the allegation.
40. In addition to the referrals that did not require an investigation 14 ‘low risk’ cases were resolved through compliance activity, warning letters or review. This approach identified/prevented around £3k in council tax and housing benefit fraud.
41. We have been working very closely with the Council’s communication team but internally to raise awareness of SAFS and externally to encourage local residents and businesses to report fraud and help protect public funds. The

Council took part in the International Fraud Awareness Week each November 2023.

42. At this time many cases raised for investigation last year are still live. Senior officers have been provided with a detailed breakdown of which services have been affected by fraud and the outcomes from individual investigations. To date for 2023/24 a total figure of **£146,313** has been recorded for all reactive anti-fraud work at the Council.
43. At year end of March 2024, 40 cases remained under investigation with an estimated fraud loss of £412k. SAFS monitor these figures to identify trends, such as changing working practices, the cost-of-living crisis, and other factors.
44. As well as the financial values identified, SAFS works with the council's housing needs and nominations team where allegations of fraud impact on the Council's housing register or homelessness applications. These cases may not deliver an obvious financial value, but do assist in preventing fraudulent applications for housing.

Case Study 3: Housing Fraud.

As part of a review of a Right to Buy (RTB) application, by a tenant of the Council living at Welwyn Garden City, the tenant provided information to support their application which appeared to contradict data held by the Council and the matter was reported to SAFS for investigation

Enquiries made by SAFS, which included financial and credit records indicated that the tenant was living away from Hertfordshire and had been for some years.

Further enquiries revealed that the tenant was working in the area where she had been found to living and in a relationship with a person residing at their own address in that area.

As the evidence obtained suggested that the tenant was living away from the address in Welwyn Garden the tenant was interviewed but denied leaving the Council property and claimed they still lived at that address as their only and sole residence.

The evidence obtained was shared with Housing Management and decision made that as the tenant had ceased to live at the Welwyn Garden City address the tenancy should be terminated and took action to recover the property. The Right to Buy application was withdrawn as well.

45. In April 2023 the Fraud Advisory Panel (FAP) published a report 'Lost Homes-Lost Hope' following up from a paper published in 2021 by the Tenancy Fraud Forum 'Calculating Losses from Housing Tenancy Fraud', both papers were supported by CIPFA, CIFAS, the Cabinet Office and the Chartered Institute of Housing.
46. The 2021 report calculated the losses of an average housing fraud, per case, to the public purse to be in the region of £42k, for local authorities through the provision of temporary accommodation as a result of the fraud.

47. SAFS has been working across all areas of the housing directorate since April 2023 as we see ‘tenancy fraud’ as one of the Councils biggest risks. SAFS attend team and management meetings within Housing and the Head of SAFS meets regularly with Executive Director (Resident Services and Climate Change) to discuss risks, awareness and fraud reporting. SAFS have provided guidance to housing officers on existing processes and the approach to tenancy audits that will assist with the early detection of tenancy fraud.

Case Study 4: Social Housing Fraud		
Category	National Average cost	Explanation
<i>Add:</i> Annual average temporary accommodation cost per family for individual councils	£12,100	Individual councils can establish their own local cost for this element. This can vary considerably, exceeding £20,000 pa in some areas. (The national average figure was derived from the parliamentary briefing paper <i>Households in temporary accommodation</i> , as at 31 March 2020.)
<i>Deduct:</i> Individual councils (only) can remove the annual average housing benefit associated with their temporary accommodation costs	Does not apply to the national calculation	Local councils receive housing benefit payments from central government in relation to temporary accommodation costs. These could be deducted from the national figure to reach a net local cost. However, since these benefit payments are from central government they must be part of the calculation of the true cost of tenancy fraud to the national public purse.
Subtotal	£12,100	
Subtotal above multiplied by 3	£36,300	Analysis of tenancy frauds detected by housing providers reveals three years to be a prudent average duration for one of these frauds. (Typical range 3.2 to 3.5 years.)
<i>Add:</i> Average investigation costs	£1,300	Average cost derived from investigations by a housing provider; confirmed as prudent by a sample from other HA's and councils. Individual councils may choose to input their own data here.
<i>Add:</i> Average legal costs	£1,000	Average cost derived from investigations by a housing provider; confirmed as prudent by a sample of other HA's and councils. Individual councils may choose to input their own data here.
<i>Add:</i> Average void costs	£3,140	Average cost derived from investigations by a housing provider; confirmed as prudent by a sample of other HA's and councils. Individual councils may choose to input their own data.
Total costs	£41,740	The average cost of a detected tenancy fraud to the national public purse - approximated to £42,000.

48. The 42 cases of alleged tenancy fraud received in 2023/24 included illegal sub-letting, fraudulent housing applications, fraudulent Right to Buy (RTB) applications and undisclosed abandonments. As mentioned already not all cases require a full investigation and many can be resolved through routine housing management, however, at any one-time SAFS had as many as 8 cases of tenancy fraud open.
49. SAFS had a KPI target to recover or secure 6 properties as a result of our investigations in 2023/24. Although we were only able to assist in the recovery of 2 properties in-year (potentially saving the Council £84k) our work also prevented a fraudulent RTB (with a discount valued at £102k). Two additional cases were serious enough that files have been shared with the Councils legal team with a view to bring criminal proceedings.
50. As part of the same KPI SAFS is required to conduct a review of all RTB applications to the Council receives to identify/prevent fraud and money-laundering. SAFS conducted 100% review of all applications received in 2023/24 and a substantial number from 2022/23 as well. In all SAFS reviewed 96 applications and as mentioned above at least one application was stopped due to fraud.

51. SAFS work with a number of social housing providers, including Clarion, Peabody and B3Living, to help identify fraud such as illegal sub-letting, fraudulent right-to-buy applications and other misuse of the social housing stock.
52. We work operationally with a number of partners locally and regionally to enhance our investigation capacity and outcomes. This includes joint working with the DWP where Housing Benefit (HB) and Council Tax (CTRS) fraud is linked to other national benefits. Hertfordshire LA's are leading the way in their approach to this often complex area of collaboration.

Case Study 5: Council Tax Fraud.

In early 2023 as a result of a proactive alert (HBMS) SAFS were asked to investigate an alleged HB/CTRS claim for an address in Welwyn Garden City. The allegation suggested that the claimant had undeclared income.

SAFS conducted a joint investigation with the DWP as the claimant was also in receipt of state benefits. The investigation revealed that the claimant has been in receipt of undeclared income since at least 2016.

Checks on the Councils HB/CTRS systems confirmed the income reported had not been declared. The claimant was interviewed and admitted receiving the income and that he had not declared this at the correct time.

It was found that overpayment of HB/CTRS had occurred between 2016 and 2023 totalling £11k.

Data Matching and Analytics

53. The Council is required to submit data every two years as part of the Cabinet Office mandated [National Fraud Initiative - GOV.UK \(www.gov.uk\)](https://www.gov.uk). For the Council datasets such as payroll, pensions, creditor/payments, housing benefit and council tax are provided in October. The data collected from Councils, NHS and others is then analysed to identify discrepancies and potential fraud. The exercise also uses data from sources such as Operation Amberhill, HMRC, DWP and GRO.
54. The output, or 'matches', from NFI is released to Councils between February and March following the October data upload. These matches are shared in various formats for Councils to action. For the Council, SAFS and Internal Audit administer access to and reporting for those service areas that are required to provide a response.
55. The Council received 2,869 matches for review in a number of reports from the 2022/2023 exercise, compared to other similar SAFS Partners the number of matches was very high. Many of these matches require administrative review only and will not identify fraud, error, or savings, but it is essential that all are actioned and reported to avoid any fraud being missed and ensure that the Councils data is amended/updated.

56. SAFS and Council officers have reviewed a number of the high priority matches and some of the lower priority matches – in total 675 reviews were conducted identifying 29 errors/frauds, with reported loss/savings combined of **£94k**. 57 matches were still under review at year end and this, along with the high number of matches originally reported, highlight some concerns about the potential levels of fraud and error in the Council data that we will keep under review as we prepare for NFI 2024/25.
57. Working with the Cabinet Office, SAFS have developed a ‘Hertfordshire FraudHub’ for all SAFS Partners following the same process as the two-yearly NFI exercise, but with data collected and matched more frequently throughout the year. In 2023/2024 SAFS identified just over 4k potential matches for review, from these only 332 high risk matches were fully reviewed with a further 2 errors identified and **£2k** in savings, but 192 cases still under review at year end. SAFS are working closely with service managers to ensure the Council can provide an improved response to matches from the FraudHub in 2024/25.
9. The Councils Revenue and Benefits Service joined the County Council funded AnalyseLocal system that helps to identify potential fraud and error in the small business rate reduction (SBRR) scheme. In 2023/2024 out of 22 discrepancies identified, 14 have been reviewed identifying 4 errors and new revenue of **£29k**. Eight cases are still under review.
58. SAFS manages the Hertfordshire Council Tax Framework for all councils across the County. The framework is funded by the County Council and provides a fully managed service to review discounts claimed by residents. The Councils Shared Revenues Service did not make use of the Framework in 2023/2024 but has signed up to take part in 2024/25.

Transparency Code – Fraud Data

59. The Former Department for Communities and Local Government, now Department for Levelling-up Housing and Communities (DLUHC), published a revised Transparency Code in February 2015, which specifies what open data local authorities must publish.
60. The Code also recommends that local authorities follow guidance provided in the following reports/documents:
- The National Fraud Strategy: *Fighting Fraud Together*
(<https://www.gov.uk/government/publications/nfa-fighting-fraud-together>)
- CIPFA– *Managing the Risk of Fraud – Actions to Counter Fraud and Corruption*
http://www.cipfa.org//media/files/topics/fraud/cipfa_corporate_antifraud_briefing.pdf
61. The Code requires that Local Authorities publish the following data in relation to Fraud. The response for Welwyn Hatfield Borough Council for 2023/24 is in **bold**:

- Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.

Nil. (Welwyn Hatfield Borough Council is a Partner to the Hertfordshire Shared Anti-Fraud Service and makes use of the National Anti-Fraud Network (NAFN) to conduct such enquiries on their behalf).

- Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.

2 FTE

- Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.

2 FTE

- Total amount spent by the authority on the investigation and prosecution of fraud.

£132,000 (SAFS fee)+ NAFN/NFI/FraudHub licence fees.

- Total number of fraud cases investigated.

2 Fraud cases investigated and closed in year

62. In addition, the Code recommends that local authorities publish the following (*for Welwyn Hatfield Borough Council Fraud/Irregularity are recorded together and not separated*):

- Total number of cases of irregularity investigated-

See above

- Total number of occasions on which a) fraud and b) irregularity was identified.

Not available at this time.

- Total monetary value of a) the fraud and b) the irregularity that was detected.

Reactive - £146k fraud loss/savings reported.

Proactive- £126k of fraud identified through NFI/FraudHub/Analyselocal.

Total - £272k of fraud and irregularity identified.

- Total monetary value of a) the fraud and b) the irregularity that was recovered.

Not recorded separately

63. List of Background Papers - Local Government Act 1972, Section 100D

- (b) **Councillors Workbook on Bribery & Fraud Prevention** (LGA 2017)
- (c) **Fighting Fraud and Corruption Locally - A Strategy for the 2020's** (CIPFA/CIF9AS/LGA 2020)
- (d) **Tackling Fraud in the Public Sector** (CIPFA 2020)
- (e) **Code of Practice - Managing the Risk of Fraud and Corruption** (CIPFA 2014)
- (f) **Fighting Fraud - Breaking the Chain** (Report of Session 2022-2023 House of Lords)
- (g) **HMG Fraud Strategy - Stopping Scams, Protecting the Public** (May 2023)
- (h) **Lost Homes, Lost Hope** (Fraud Advisory Panel 2023)

64. SAFS KPIs for 2023/2024 and Performance

KPI	Measure	Target 2023/24	Performance 2023/2024
1	Return on investment from SAFS Partnership.	<p>Demonstrate that the Council is receiving a financial return on investment from membership of SAFS and that this equates to its financial contribution.</p> <p>A. Meetings to take place with the Councils S.151, quarterly.</p> <p>B. Executive Director (Finance and Transformation) or deputy will sit on the SAFS Board that meets quarterly.</p> <p>C. Regular meetings to take place with Directors/Service Leads to agree and update local work plans.</p> <p>D. Reports on progress with any area of work covered by the SAFS Partnership Agreement will be provided on request.</p>	<p>A. Meetings were diarised with the Executive Director (Finance and Transformation) and Assistant Director (Finance) to review SAFS work and any issues arising.</p> <p>B. Executive Director (Finance and Transformation) is on the invite/circulation list for the SAFS Board and is invited to attend quarterly meetings.</p> <p>C. SAFS Mgt meet with lead officers in Housing/Revs & Bens regularly and other services as required.</p> <p>D. Reports are provided to the Councils Audit Committee, senior officers, auditors and service managers as required.</p>
2	Provide an investigation service.	<p>A. 350 Days of counter fraud activity including proactive and reactive investigation work, data-analytics, training and fraud risk management (Supported by SAFS Intel/Management).</p> <p>B. 3 Reports to Audit Committee.</p> <p>C. SAFS attendance at corporate governance, 'service champion' meetings, local management team meetings.</p>	<p>A. 270 (77%) days delivered.</p> <p>B. Reports to AC in September and December 2023 and March 2024.</p> <p>C. SAFS Mgt attend the Councils Corporate Governance Group.</p>
3	Action on reported fraud.	<p>A. All urgent/ high risk cases 1 Day.</p> <p>B. All other cases 2 Days on Average.</p>	<p>A. SAFS CMS still unable to report on these cases specifically.</p> <p>B. ALL referrals are cleared within 24 hours</p>
4	Added value of SAFS membership.	<p>A. Membership of PNLD</p> <p>B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL</p> <p>C. NAFN Access/Training</p> <p>D. 10 Training events for staff/Members</p>	<p>A. SAFS funds the Councils licences with PNLD.</p> <p>B. SAFS had access to CIPFA/CIFAS/AF/FFCL.</p> <p>C. NAFN access for all SAFS and Council staff.</p> <p>D. 9+ Training events delivered across a number of service areas and for members of the AC.</p>
5	Allegations of fraud received. & Success rates for cases investigated.	<p>A. All reported fraud (referrals) will be logged and reported to officers by type & source.</p> <p>B. All cases investigated will be recorded and the financial value, including loss/recovery/savings of each will be reported to officers.</p> <p>C. 6 Social homes secured from unlawful use or sub-letting.</p> <p>D. 100% Review of all Right to Buy and 'Succession' applications.</p>	<p>A. This is happening daily as referrals received.</p> <p>B. All cases are logged, managed, and reported on SAFS case management system (CMS) and all reports use the data from the CMS.</p> <p>C. Only 2 Properties were recovered in year.</p> <p>D. 100% Review of all RTB and Succession Applications was provided.</p>
6	Making better use of data to prevent/identify fraud.	<p>A. Support the output from NFI 2022/23 Council services.</p> <p>B. Membership of the Herts FraudHub in 2023/24</p>	<p>A. SAFS and Council officers worked on the output from NFI. See report for more detail.</p> <p>B. This includes work to review live NDR/SBRR data held by the Council and the Herts FraudHub.</p>

