



Welwyn Hatfield Borough Council

Audit Committee

September 2023

Anti-Fraud Progress Report 2023/2024

Purpose

1. This early report provides details of the work undertaken by the Shared Anti-Fraud Service (SAFS) and Council Officers to protect the Council against the threat of fraud and the delivery of the Council's Anti-Fraud Action Plan for 2023/24.
2. Further reports will be provided to this Committee in 2023/24 with detailed progress with delivery of the agreed Plan and SAFS KPI performance.

Recommendations

3. **Members are RECOMMENDED to:**

- a) **Note the progress by officers and the Shared Anti-Fraud Service to deliver the 2023/2024 Anti-Fraud Plan for the Council.**

Delivery of the Anti-Fraud Plan

2023/24 Plan

4. The 2023/2024 Anti-Fraud Plan was approved by this Committee at its March 2023 meeting. This Plan covers all areas recommended by CIPFA and the *Fighting Fraud and Locally Strategy for the 2020s*. The Plan also provides assurance that the council benefits from a positive return on its investment in the SAFS Partnership. See **Appendix 1** for details of the Plan.
5. Welwyn Hatfield Council joined the Shared Anti-Fraud Service (SAFS) in April 2023 so much of this report reflects the work undertaken to embed the service. At the meeting of this Committee in March 2023 the SAFS management provided members with a background to the service and how it has been operating with other Councils across the County since 2015.

Counter Fraud Activity & Reported Fraud

2023/2024 Anti-Fraud Activity

6. The Council has in place an Anti-Fraud, Bribery & Corruption policy and an Anti-Money Laundering Policy. A review of all policies is taking place in 2023/24 to ensure compliance with current best practice and any changes required by legislation, which may include the 'Economic Crime and Corporate Transparency Bill' and the 'Police, Crime, Sentencing and Courts Act 2022'.
7. A training plan to build on staff awareness and fraud reporting, along with a publicity campaign to inform the public and encourage fraud reporting, is being developed with officers in the HR and Comms teams. SAFS have met with HR leads at the Council to arrange this and consider options to review/replace the current E-learning system in place for officers as well as face to face training for those staff without access to the intranet. Training has been arranged for Council officers working in Finance, Legal and Procurement on anti-money laundering in August and September.

8. At the request of the Corporate Governance Group SAFS are developing internal and external communication plans to introduce the SAFS service and its role at the Council in line with the Councils post pandemic working arrangements. We are working with those service areas where we anticipate the highest volume of work be to agree local service levels agreements.
9. SAFS have already issued a number of alerts to officers this year including matters on mandate/payment frauds, payroll frauds and others. These are being shared with the SAFS Board to cascade, and also with the service areas most likely to be affected as well as the Councils Corporate Governance Group. The Councils **Executive Director (Finance and Transformation)** is the SAFS Board representative for the Council.
10. Between April and July 2023 18 allegations of fraud were received by the Council/SAFS, this are in areas such as Housing, Revenues and Benefits as well as other service areas. These referrals are all risk assessed and reviewed and at present a number of cases have bene selected for further investigation.
11. SAFS have already begun to provide an enhanced anti-money laundering process for all applications from Council tenants to purchase their properties under the national 'Right to' scheme. This has included a review of all live applications as well as new applications since April 2023. In all 57 such reviews have been completed.
12. SAFS officers along with colleagues across the Council continue to resolve the output from the NFI 22/23 exercise. Todate of 304 (high risk) matches of the 1294 total matches have been reviewed. Todate this has identified around £33k in fraud losses/savings. In addition the Council is taking part in the Herts FraudHub with data now being submitted to the FraudHub, along with the other 7 partners in the SAFS Partnership and we have started reviewing the output from this work in Qtr 2.
13. SAFS are taking part in a pilot project with the Cabinet Office and the London Boroughs Fraud Investigators Group (LBFIG) to utilise the FraudHub structure to identify 'polygamous workers'- essentially employees or agency workers who work for multiple employers at the same time. If these incidents or multiple placements are not disclosed/managed they can create a variety of fraud risks.

SAFS Performance against KPIs

14. SAFS KPIs were agreed with senior officers for 2023/24 and progress against these is show below. Under KPI-2A we are aware that time recording from our new case management system (CMS) has not been working fully and SAFS staff have not been recording all time spent on work for the Council. We have addressed this and we will see an improvement from QTR 2 onwards. Under KPI-3 we identified an issue with our CMS which we are working on at present with the provider.

KPI	Objectives	Progress
1	<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. SAFS Mgt have meetings planned throughout the year with the Councils Senior Mgt</p> <p>B. RB/HO invited to attend all SAFS Board meetings in 23/24</p> <p>C. Meetings with R&B and Hsing Mgt in place on regular basis. Meetings between NJ and RB in place as well as with HR and Comms teams.</p> <p>D. This report, and others are available upon request. Reports to AC to be published. RB/HO will receive reports to SAFS Board.</p>
2	<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. 42 days in Qtr 1. – 12%. Issues in Qtr with new CMS and staff understanding of what time can be recorded.</p> <p>B. AC Dates are booked in for Sep /Jan/Mar.</p> <p>C. SAFS Mgt attend CGG meetings and local team/Service meetings.</p>
3	<p>A. All urgent/ high risk cases will be responded to within 24 hours.</p> <p>B. All other cases 2 Days, on Average.</p>	<p>A. CMS unable to record at present.</p> <p>B. Currently less than 1 day on average.</p>
4	<p>A. Membership of NAFN & PNLD</p> <p>B. Membership of CIPFA Counter Fraud Centre and access to CIFAS/NCSC/AF/FFCL alerts, trends, best practice</p> <p>C. NAFN Access/Training for relevant Council Staff</p> <p>D. 10 Training events for staff/Members in year. (To be agreed with Service leads and HR)</p>	<p>A. SAFS has membership of PNLD which will be offered to WHBC Legal. NAFN membership via WHBC in 23/24.</p> <p>B. SAFS/HCC member of CIPFA and CIFAS.</p> <p>C. NAFN service awareness is being shared across Council service areas.</p> <p>D. SAFS liaising with HR to arrange training programme for 23/24.</p>
5	<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. Fraud reporting options available for staff and residents on the WHBC webpage and intranet- This is linked to SAFS reporting tools. Further Comms on this to be developed internally and externally.</p> <p>B. All cases are recorded on SAFS CMS</p> <p>C. We have just started to work with Housing Services on a number of TF cases.</p> <p>D. 57 Reviews complete. 100% + all 2022 historic RTBs reviewed.</p>
6	<p>A. Support the output from NFI 2022/23 Council services.</p> <p>B. Membership and VFM from the Herts FraudHub in 2023/24.</p>	<p>A. Access to NFI data and relevant systems arranged for SAFS officers. Output and matches reviewed will be reported to the senior officers. Progressing well.</p> <p>B. Contracts with C/O signed. Data-upload schedules are now agreed and data is being shared. Output to be managed and reported</p>

Appendices

15. The following appendices are attached to this report:

Appendix 1 - SAFS/Welwyn Hatfield Borough Council *Anti-Fraud Plan 2023/24*

Further Reading

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

- (a) ***Councillors Workbook on Bribery & Fraud Prevention*** (LGA 2017)
- (b) ***Fighting Fraud and Corruption Locally- A Strategy for the 2020's*** (CIPFA/CIFAS/LGA 2020)
- (c) ***Tackling Fraud in the Public Sector*** (CIPFA 2020)
- (d) ***Guide to Understanding the Total Impact of Fraud*** (International Public Sector Fraud Forum 2020)
- (e) ***Code of Practice – Managing the Risk of Fraud and Corruption*** (CIPFA 2014)
- (f) ***Government Counter Fraud Standards*** (Cabinet Office 2021)
- (g) ***Lost Homes, Lost Hope.*** (Fraud Advisory Panel & Tenancy Fraud Forum 2023)