

ISLE OF ANGLESEY COUNTY COUNCIL	
Report to	Governance and Audit Committee
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Subject	Counter Fraud, Bribery and Corruption Strategy 2022-25
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Nature and Reason for Reporting: The Governance and Audit Committee has oversight responsibility for the Council's arrangements for preventing, detecting, investigating and prosecuting fraud and corruption.	

1. INTRODUCTION

1.1 This report presents the activity that Internal Audit will carry out during 2022-25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

2. RECOMMENDATION

2.1 That the Governance and Audit Committee reviews and notes Internal Audit's strategy for countering fraud, bribery and corruption for 2022-25.



COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY 2022-25

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INTRODUCTION

This report presents the activity that Internal Audit will carry out during 2022-25 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

This supports the requirements of the Public Sector Internal Audit Standards, 2018 (PSIAS), which require internal audit to evaluate the potential for fraud occurring and how the organisation manages fraud risk (Standard 2120).

In addition, the Accounts and Audit (Wales) Regulations 2014 state that the Council's responsible financial officer (Section 151 Officer) must ensure that its accounting control systems include measures to enable the prevention and detection of inaccuracies and fraud.

Minimising fraud and irregularity is vital in ensuring resources, intended to provide essential services to the residents and businesses of the Isle of Anglesey, are used for that purpose. Fraud committed against the Council is a theft of taxpayers' money, can cause reputational damage for the Council, a loss of confidence amongst the public or stakeholders, and have an adverse effect on staff morale. Through effective counter-fraud measures, the Council can reduce the risk of error, loss and fraud.

Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same. There is a clear need for a tough stance supported by elected members, chief executives and those charged with governance. This includes tackling cross-boundary and organised fraud and corruption attempts, as well as addressing new risks such as social care fraud and cyber issues.

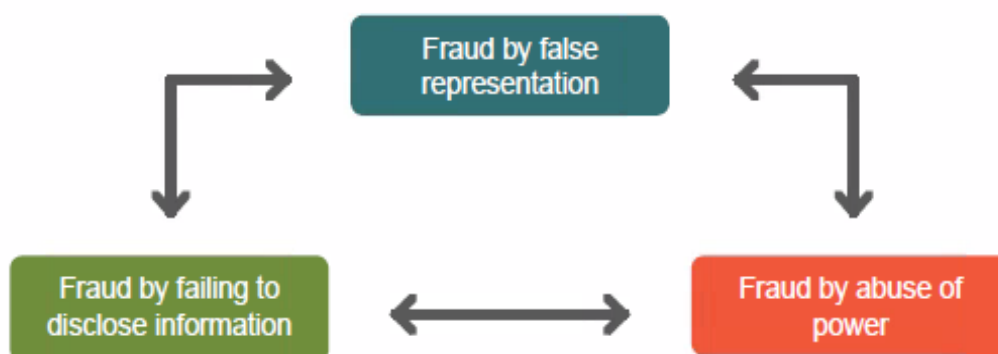
The purpose of this strategy is to ensure that the Isle of Anglesey County Council does all that it can to address this threat and minimise the risk of fraud and corruption occurring.

WHAT IS FRAUD?

Fraud, bribery and corruption are all forms of behaviour that have elements of dishonesty or unlawful gain. Fraud can be defined as criminal conduct involving deliberate deception in order to receive unfair, unjustified or unlawful gain and typically describes activities such as theft, corruption, money laundering, conspiracy, bribery and extortion.

Before enacted within law, it was generally accepted that fraud was a broad legal concept that referred to an intentional act committed to secure an unfair or unlawful gain, and was covered within a variety of other criminal legislation, such as the Theft Act 1968.

However, since then, in the UK, fraud has become a criminal offence in its own right; the Fraud Act 2006 sets out three ways in which the crime can be committed:



The CIPFA Counter Fraud Centre advocates the following definition of fraud:

Fraud is an acquisitive crime that involves stealing (theft) by means of some form of deception or misrepresentation.

WHAT IS BRIBERY AND CORRUPTION?

The Bribery Act 2010 came into force in 2011. The Act reformed and consolidated existing bribery laws. It also simplified and expanded the range of offences for which individuals and organisations can be prosecuted.

Under the Act, offences include:

- Giving bribes either directly or through a third party
- Receiving bribes
- Bribery of a foreign public official
- Failure of a commercial organisation to prevent bribery (corporate offence)

The concept of bribery is broad and includes the offer, promise or giving of a financial or other advantage intended to induce or reward the improper performance of a public function or business activity. Special consideration is also given in the Act to certain areas of activity, including hospitality and gifts.

Corruption is the lack of integrity or honesty (which may involve bribery) or the abuse of position for dishonest gain. From a legal perspective, corruption is more difficult to define, as behaviours that are considered corrupt in some countries may be protected by a legal framework in others. This is particularly the case where bribery is involved.

For our purposes, we consider corruption to be either fraudulent behaviour or actions that involve bribery.

WHY IS COUNTERING FRAUD, BRIBERY AND CORRUPTION IMPORTANT?

Fraud can affect the public sectors' reputation and divert funding from vital public services, undermining public trust, financial sustainability and organisational efficiency. Fraud, bribery and corruption, as well as money laundering and terrorist financing, have grown enormously to become a global blight that challenges national governments and private industry alike.

CIPFA, in its most recent National Fraud and Corruption Tracker (2020) report recognises that each pound lost to fraud represents a loss to the public purse and reduces the ability of the public sector to provide services to people who need them. CIPFA advocates that:

“Leaders of public service organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management”.

Successful counter-fraud activity is much more than just saving money. These illegitimate activities can undermine public trust. When councils take effective counter-fraud measures they rebuild public trust, and ensure that scarce funds are used effectively. In addition to monetary loss, fraud takes a heavy toll on human prosperity, security, and well-being.

In Wales, the Auditor General's report¹ highlighted that Welsh public services could be losing anything up to £1 billion a year to fraud. At a time of increasing financial pressure, it is more important than ever for all public bodies in Wales to seek to minimise the risks of losses through fraud.

According to the Social Market Foundation, a non-partisan think tank focused on economic and social policy, fraud is now the most common crime in England and Wales. The organisation estimates that fraud costs the UK economy £137bn a year² and is increasing rapidly³.

¹ Counter-Fraud Arrangements in the Welsh Public Sector, An Overview for the Public Accounts Committee, Auditor General for Wales, June 2019

² Fraud is now Britain's dominant crime, Social Market Foundation, March 2022

³ The financial cost of fraud 2021, Centre for Counter Fraud Studies, University of Portsmouth

COUNTER FRAUD ARRANGEMENTS AND RESOURCING

UK arrangements for counter fraud

A number of bodies support and drive good counter-fraud practice across the UK, including CIPFA's Counter Fraud Centre, the National Anti Fraud Network (NAFN)⁴ and most notably, the National Fraud Initiative (NFI).

The NFI is a biennial exercise, which matches data within and across organisations, systems, and national borders to help public bodies identify potential fraud or error in claims and transactions. It is a government anti-fraud programme run by the Cabinet Office and was set up in 1996 to protect public money and punish fraudsters.

The Auditor General's report⁵ (October 2022) highlighted that the exercise has detected or prevented more than £49.4 million of fraud and overpayments in Wales since it was set up 25 years ago and that the 2020-21 exercise helped Welsh public bodies identify £6.5million of fraud and overpayments. The NFI in Wales also helped organisations in other parts of the UK identify 153 cases of fraud and error amounting to £183,045.

However, the Auditor General commented that the value of Welsh outcomes in NFI 2020-21 reduced by £1.5 million from the previous NFI exercise. He attributed the decrease to the number of fraudulent or erroneous claims for Council Tax Single Persons Discount and Housing benefit identified through NFI falling, which was partly due to timing, with many NFI participants reviewing NFI matches later than normal due to work pressures arising from the COVID-19 pandemic.

The report identified seven main areas which generated almost 98% of the outcomes; housing benefit, creditor payments, council tax discount, blue badges, COVID-19 business support grants, council tax reduction scheme and waiting lists.

⁴ NAFN is a public sector organisation currently hosted by Tameside MBC. Membership is open to any organisation that has responsibility for managing public funds and/or assets. Currently, almost 90% of local authorities are members.

⁵ <https://www.audit.wales/news/ps65-million-fraud-and-overpayments-identified-national-fraud-initiative-wales>

Wales-wide arrangements for counter fraud

A review⁶ in 2020 of counter-fraud arrangements across the Welsh public sector by the Auditor General reported that the resources devoted to counter-fraud activity varied widely across the public sector in Wales. Across local government in Wales, counter-fraud resourcing arrangements differed markedly from council to council and there was no all-Wales team responsible for local government counter-fraud activities, or any overarching strategy or policy framework.

Regional arrangements

In the absence of a group or professional network that specifically promotes counter-fraud in local government in Wales, to fill this gap in north Wales a sub-group of the North and Mid Wales Audit Partnership was formed in May 2021 to share and drive good practice in relation to counter-fraud. It continues to meet quarterly and is working to benchmark good practice with regards to the 15 recommendations made in the Auditor General's report.

Arrangements in the Council

The CIPFA Code establishes that the ability to take action will be dependent upon the size and nature of an organisation and the size of its counter-fraud capacity.

Following the transfer of fraud investigators from Local Government to the Department for Works and Pensions in 2014, most councils in Wales, including the Isle of Anglesey County Council, no longer have a dedicated council-wide counter-fraud resource, and instead, Internal Audit has been designated the counter-fraud role in the Council.

Last year, we recruited a Senior Auditor who is a qualified Accredited Counter Fraud Technician. We will be using their skills to drive forward counter-fraud activity within the Council. The Head of Audit and Risk is also a qualified Accredited Counter Fraud Specialist.

⁶ 'Raising Our Game' Tackling Fraud in Wales - Report of the Auditor General for Wales, July 2020

CURRENT AND EMERGING FRAUD RISKS

In these turbulent times of looming economic recession, a cost of living crisis and inflation levels not seen for years, supply chain disruption, staff retention and recruitment issues, the ongoing effects of the Covid pandemic and a Russia-Ukraine war inevitably lead to uncertainty, fear, and desperation – all conditions that criminals prey upon.

Temptations and opportunities for fraud have increased⁷, and fraudsters will take advantage of the situation using ever more sophisticated tools to commit their crimes.

Before the demise of the Audit Commission in 2015, its report ‘Protecting the Public Purse’ was hailed as the only one of its type globally to include the number, volume and type of fraud cases from every council in the country⁸. Today we must look for intelligence on fraud risks from a wide range of different sources.

The main fraud risks faced by local government were identified in ‘Fighting Fraud and Corruption Locally: A Strategy for the 2020s’⁹ (discussed in more detail later) as:

- Cyber-dependent and cyber-enabled
- Social care - personal budgets and direct payments
- Schools
- Right to buy / tenancy
- Money Laundering
- Commissioning of services
- Procurement
- Payroll and identity fraud
- Council tax
- Disabled parking concession
- Grants
- Business rates
- Insurance
- Disabled facility grants

⁷ Fraud is on the rise: step up to the challenge, Chartered Institute of Internal Auditors, July 2022

⁸ Public Eyes, IIA Audit & Risk, August 2022

⁹ <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

Cyber

Councils are increasingly becoming targets - some receive thousands of attempted attacks each day. The ransomware attack on Redcar and Cleveland Council in February 2020 was well-publicised, along with Hackney and Gloucester councils which have been badly affected since. It should be high on all councils' assessment of fraud risks and is included in the Isle of Anglesey County Council's strategic risk register.

Cyber-enabled

These are frauds that existed before computers but have been made easier using technology. For councils, the main cyber-enabled frauds are creditor and payroll diversion (mandate fraud). Most cyber-related risks operate on the 'weakest link' principle requiring only one instance of control failure to succeed. Ongoing awareness-raising and training is vital.

Insider Threat

Crime thrives during an economic downturn. In times of financial hardship, law-abiding citizens can find themselves motivated and pushed towards crime. A life they would never have considered without the pressures they currently face. As people struggle with rising living costs, they could be tempted to supplement their income by exploiting their knowledge of internal processes. Examples of this can include over-claiming overtime, abusing expenses or exploiting access to the organisation's finances. There may also be an increase in staff approaches, where an individual is given the opportunity to make money by making changes to accounts, or selling data and information around competitive tendering exercises.

Thirdport¹⁰ reports that in the UK in 2021, 41% of insider threat cases concerned dishonest actions, with the majority relating to the theft of cash from an employer. In the first half of 2022, 175 individuals have been recorded as an insider threat - up 51% from the same period in 2021. In the same period, there has been a 47% increase in dishonest

¹⁰ Five fraud types to watch for in 2023, Harriet Holmes, AML Services Manager, Thirdfort, October 2022

actions by staff, spanning 72 cases. Overall, most individuals involved in these cases had been in employment for two to five years (43%).

Housing Fraud

The largest growing fraud area in the UK is housing tenancy, with an estimated £60.1m lost in 2019-20 compared to £47.7m in 2018-19. Tenancy fraud includes illegal subletting, wrongful succession, lying about tenancy agreements or housing applications and failures to disclose changed circumstances, and costs the taxpayer thousands of pounds each year.

With an already huge demand for social housing, properties should not be left empty because the tenant has moved in with a partner, is living somewhere else, or is making money by illegally subletting their council property. Tenancy fraud denies people on the Council's waiting list a decent home.

Council Tax Single Person Discount

Council tax single person discount (SPD) is the second largest growing fraud area in the UK and represents almost two-thirds (65%) of the identified instances of fraud, with an estimated value of £35.9m in 2019-20 (£29.0m in 2018-19).

The Council uses an external company to review and validate its SPD claims on a periodic basis to identify claims at risk of fraud and error. The last exercise in August 2021 screened 11,200 accounts, targeted 2,245 accounts and identified 484 errors, with an error rate of 4.3%. The estimated revenue generated from this review is £152,090.

Disabled Parking Concession

Disabled parking concession (Blue Badge Scheme) represents 17% of the total cases of UK estimated public sector fraud. We work with the NFI to identify cases where a permit holder has died but the Council may not have been notified. In these cases, we have worked with Cyswllt Môn to cancel the permit and update the system to ensure the pass is not renewed.

However, some local authorities also take additional steps to prevent fraudulent abuse, such as taking steps to recover the permit, referring the information to parking attendants to check the permits are not being used to avoid parking fees, and some authorities use

the intelligence to recover social services equipment that was on loan to the deceased individual.

Procurement

Procurement was one of the highest perceived fraud risk areas in 2019-20 and has been for two years running. In the UK courts, procurement fraud increased 400% by volume (from three cases in 2020 to 15 in 2021) and by value to £9.5m from £2.6m compared to 2020.

Purchase to pay

Purchase to pay processes are vulnerable to fraud given their large processing volumes, diverse suppliers, staffing challenges, and high-value transactions. Invoice and mandate scams were only the sixth most common type of 'Authorised Push Payment' scams in 2020, however they accounted for 17% of all losses, totalling £81.9m. The majority of losses by value, some £52.5m, were from non-personal or business accounts, where the average fraudulent payment was £18,871.¹¹.

Disabled Facility Grants

These grants help towards the cost of adaptations and facilities to enable a disabled person to continue to live at their property. Fraud is committed when applicants apply for a grant based on information they know is false or inaccurate. This could include not declaring any, or all, savings and failing to declare full income. There is a limited amount of funding available for these adaptations, so fraud of this kind could result in deserving people having to wait longer for essential works, leaving those people vulnerable to injuries and stress, causing a strain on health and social care services.

¹¹ Fraud - The Facts 2021, UK Finance

STRATEGIC OBJECTIVES

When considering this strategy, we considered CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption (2014)¹² (the CIPFA Code), which sets out best practice for counter-fraud work in local government, based on five principles.

However, we also considered a more recent publication, also endorsed by CIPFA. The 'Fighting Fraud and Corruption Locally: A Strategy for the 2020s'¹³ (FFCL), discussed earlier in [Current and Emerging Fraud Risks](#) is the overarching counter-fraud and corruption strategy for local government in England, and provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. In the absence of a Wales-specific strategy, we have used this to underpin our strategic focus.

Similar to the CIPFA Code, the FFCL strategy focuses on five pillars of activity, or strategic objectives, and helps us to set out where the Council needs to concentrate its counter-fraud efforts. These are:

Govern

The foundation of the Strategy is that *'those charged with governance'* support the activity by ensuring that there are robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the Council.

Beating fraud is everyone's business, and the Council needs robust internal arrangements, which are communicated throughout the Council to demonstrate the culture and commitment to preventing fraud.

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

¹² <https://www.cipfa.org/services/networks/better-governance-forum/counter-fraud-documentation/code-of-practice-on-managing-the-risk-of-fraud-and-corruption>

¹³ <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>

Acknowledge

To create a counter-fraud response, the Council must acknowledge and understand fraud risks and then demonstrate this by committing the right support and appropriate resource for tackling fraud.

The Leadership Team (LT) has acknowledged the threats of fraud and corruption and the harm they can cause to the Council, its aims and objectives and to its service users by mandating the inclusion of fraud in every service risk register.

We submit an annual report to the Governance and Audit Committee to enable it to challenge activity and understand the Council's counter-fraud activity.

Assessing and understanding fraud risks.

Committing the right support and tackling fraud and corruption.

Demonstrating that it has a robust anti-fraud response.

Communicating the risks to those charged with Governance.

Prevent

The Council can prevent and detect by enhancing fraud controls and processes, making better use of information and technology and developing a more effective anti-fraud culture.

The Council has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs and aims to have sound financial systems and procedures, which incorporate efficient and effective internal controls.

Making the best use of information and technology.

Enhancing fraud controls and processes.

Developing a more effective anti-fraud culture.

Communicating its activity and successes.

Pursue

While preventing fraud and corruption from happening in the first place is the Council's primary aim, it is essential that a robust enforcement response is available to pursue fraudsters and deter others.

The Council will always seek the strongest possible sanction against any individual or organisation that defraud or attempt to defraud the Council.

Prioritising fraud recovery and use of civil sanctions.

Developing capability and capacity to punish offenders.

Collaborating across geographical and sectoral boundaries.

A further element of the Council's response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an integral part of the Strategy, and action will be taken to recover losses. Where criminality has been proven then the Proceeds of Crime Act 2002 will, where appropriate, be used to recover funds.

Other methods of recovery may include, but are not confined to, civil proceedings; unlawful profit orders and compensation orders.

Learning lessons and closing the gaps.

Protecting itself and its residents

This theme lies across the pillars of this strategy and involves protecting the Council against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the wider community. It also covers protecting public funds, protecting the Council from cyber-crime and protecting itself from future frauds.

The Council recognises that fraud is not a victimless crime and seeks to protect the vulnerable from the harm that fraud can cause in the community.

We have a duty to protect residents in our communities from fraud and we should work in collaboration with officers across the Council and partner agencies to prevent fraud and safeguard the vulnerable.

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

Recognising the harm that fraud can cause in the community.

CONCLUSION

As custodians of public resources, every public sector organisation has a responsibility to fight fraud and corruption. Successful organisational efforts to prevent, identify and manage various types of fraud not only strengthens the state of public finances, but also mitigates moral and reputational risks across the public sector.

All members and employees of the Isle of Anglesey County Council have a responsibility for promoting an anti-fraud culture by ensuring that robust and effective control measures are in place to prevent fraud and corruption and by promptly identifying and reporting potential instances for investigation.

They have a critical role to play in establishing and implementing a positive fraud prevention and awareness culture across the organisation, underpinned by the right tone from the top. This acts as a powerful preventive control to deter people from committing fraud.

Part of developing a positive fraud prevention and awareness culture means encouraging transparency and openness when talking about fraud; establishing an environment where employees feel they can raise concerns without fear of retaliation; and delivering the message that internal controls to prevent and detect fraud are there to protect staff as well as the organisation.

Internal audit has an important cultural role to play by helping raise awareness around fraud, promoting whistleblowing best practice, and acting as a trusted advisor to members and senior management on areas that need improvement. This strategy establishes a robust way forward to ensure the Internal Audit Team is able to:

- adapt to emerging threats and issues, and address current and future fraud risks across the Council;
- assess, analyse and report on existing and future fraud risks affecting the Council, and;
- identify requirements for future counter-fraud work.

Progress against the strategy and the activities required to achieve its objectives (detailed at [Appendix 2](#)) will be reported to the Governance and Audit Committee, and will be subject to continuous review.

APPENDIX 1 – DOCUMENTS REVIEWED

- The Public Sector Internal Audit Standards, March 2017
- The Accounts and Audit (Wales) Regulations 2014
- Fraud - The Facts 2021, UK Finance <https://www.ukfinance.org.uk/policy-and-guidance/reports-publications/fraud-facts-2021>
- CIPFA Fraud and corruption tracker, National Report 2020 (February 2021) <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fraud-and-corruption-tracker>
- Fighting Fraud and Corruption Locally, A Strategy for the 2020s <https://www.cipfa.org/services/cipfa-solutions/fraud-and-corruption/fighting-fraud-and-corruption-locally>
- Review into the risks of fraud and corruption in local government procurement, Ministry of Housing, Communities and Local Government, June 2020 <https://www.local.gov.uk/review-risks-fraud-and-corruption-local-government-procurement>
- 'Raising Our Game' Tackling Fraud in Wales, Report of the Auditor General for Wales, July 2020 <https://www.audit.wales/publication/raising-our-game-tackling-fraud-wales>
- Counter-Fraud Arrangements in the Welsh Public Sector, An Overview for the Public Accounts Committee, Auditor General for Wales, June 2019 <https://www.audit.wales/publication/counter-fraud-arrangements-welsh-public-sector>
- CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, 2014 <https://www.cipfa.org/services/networks/better-governance-forum/counter-fraud-documentation/code-of-practice-on-managing-the-risk-of-fraud-and-corruption>
- Fraud is on the rise: step up to the challenge, Chartered Institute of Internal Auditors, July 2022
- Fraud is now Britain's dominant crime, Social Market Foundation, March 2022 https://www.smf.co.uk/commentary_podcasts/fraud-is-britains-dominant-crime/
- The financial cost of fraud 2021, Centre for Counter Fraud Studies, University of Portsmouth, https://f.datasrvr.com/fr1/521/90994/0031_Financial_Cost_of_Fraud_2021_v5.pdf
- Five fraud types to watch for in 2023, Harriet Holmes, AML Services Manager, Thirdfort, October 2022 https://www.thirdfort.com/resources/five-fraud-types-to-watch-for/?utm_campaign=Harriet+content&utm_source=LinkedIn&utm_medium=textlink&utm_content=Five+fraud+types

APPENDIX 2 – COUNTER FRAUD, BRIBERY AND CORRUPTION ACTION PLAN

Issue / Risk	Action	By Who	By When
The risk of 'insider threat' has increased by over half since 2021	We will undertake an internal audit review of the arrangements for declaring potential conflicts of interest during 2022-23.	Internal Audit	March 2023
Disabled Facility Grants are identified by the FFCL as one of the main fraud risks in local government	We will undertake an internal audit review of the arrangements for managing fraud risks within Disabled Facility Grants during 2023-24.	Internal Audit	March 2024
Tenancy fraud is the largest growing fraud area in the UK	<p>Although the Head of Housing Services has assessed that, generally, tenancy fraud is low in Anglesey, we will work with the NFI to identify:</p> <ul style="list-style-type: none"> • where an individual appears to be resident at two different addresses suggesting possible cases of subletting or dual tenancies • cases where a housing tenant has died, but the Council may not have been notified so has not removed them from the tenancy • where an individual appears to have registered on the waiting list using a different address to the one on the housing rents system, suggesting possible undisclosed changes in circumstances or that false information has been provided. 	Head of Audit and Risk in conjunction with the Service Manager Community Housing, Housing Services	March 2023
Council tax single person discount is the second largest growing fraud area in the UK	We will continue to work with the Revenues and Benefits Service Manager to support the periodic review of single person discounts.	Head of Audit and Risk in conjunction with the Revenues	Ongoing

Issue / Risk	Action	By Who	By When
	We will also pass on the results of the matches of the council tax single person discount and electoral roll from the 2022-23 NFI data matching exercise.	and Benefits Service Manager	March 2023
Disabled parking concession (Blue Badge Scheme) represents 17% of the total cases of UK estimated public sector fraud	<p>We will work with Cyswllt Môn to bolster our counter-fraud activities in this area.</p> <p>We will also pass on the results of the matches of the disabled parking concessions and deceased persons from the 2022-23 NFI data matching exercise.</p>	Head of Audit and Risk in conjunction with the Cyswllt Môn Customer Experience Manager, Corporate Transformation	<p>Ongoing</p> <p>March 2023</p>
Procurement was one of the highest perceived fraud risk areas in 2019-20	We will work with the Procurement Manager to implement the action plan following the internal audit review of 'Managing the Risk of Fraud and Corruption in Procurement', undertaken in August 2022.	Head of Audit and Risk in conjunction with the Procurement Manager	March 2023
Purchase to pay processes are vulnerable to fraud given their large processing volumes, diverse suppliers, staffing challenges, and high-value transactions	We will continue to work with the Creditors Team to identify and prevent error and fraud, including through the use of data analytics (continuous monitoring) and issuing National Anti Fraud Network (NAFN) and other fraud alerts.	Head of Audit and Risk in conjunction with Payroll and Payments Team Manager	Ongoing
Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	<p>Having a corporate counter-fraud framework, which provides a whole range of high-level parts, will contribute to the Council having an effective counter-fraud strategy. The Council has a robust framework of procedures and policies, which combine to act as an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. We will therefore undertake:</p> <ul style="list-style-type: none"> • a comprehensive programme of policy refreshment • counter-fraud awareness raising • an eLearning package 	Head of Audit and Risk	December 2023

Issue / Risk	Action	By Who	By When
The identification, assessment and understanding of fraud risks is a cornerstone of effective counter-fraud arrangements	<p>We will, in conjunction with services, develop three key work streams which will:</p> <ul style="list-style-type: none"> • seek to identify fraud risks across the Council • assess fraud control activities and their effectiveness, and • dedicate the right level of resource to investigating and detecting fraud where reported <p>A counter-fraud working group will be developed to help identify fraud risk across the Council.</p> <p>We will work with the group to develop a fraud risk assessment to identify the possible frauds to which services may be exposed. The assessment will estimate both the potential impact of a given fraud and the likelihood of it occurring. The results of the assessments will enable the Council to understand better the fraud-threat environment in which it operates. The assessments will also be used as a tool to assist in focusing resources on the most relevant fraud risks.</p>	Head of Audit and Risk	December 2023
Reactive referrals are often the primary source of work for the Internal Audit Team.	It is often the alertness of the public or employees that generate referrals and enables detection to occur. We will explore the provision of a fraud-reporting tool for staff and public to report concerns.	Head of Audit and Risk in conjunction with the IT Team Manager	June 2023
Making the best use of information and technology by participating in the National Fraud Initiative	We will participate in the annual and biennial NFI exercises, which use data provided by some 1,200 participating organisations from across the public and private sectors to prevent and detect fraud. The NFI matches electronic data within and between public and private sector bodies, which include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The NFI data matching plays an important role in protecting the public purse against fraud risks.	Head of Audit and Risk in conjunction with services	Ongoing

Issue / Risk	Action	By Who	By When
Promotion of an anti-fraud culture	We will promote an anti-fraud culture across the Council by publicising the impact of fraud on the Council and the community, through social media.	Head of Audit and Risk in conjunction with the Corporate Communications Team	Ongoing
Raising awareness	The best way to prevent fraud is to share knowledge and raise awareness. Therefore, we will in conjunction with the Training and Development Team, hold regular fraud awareness raising events, including issuing newsletters, training sessions and briefings.	Head of Audit and Risk in conjunction with the Training and Development Manager	Ongoing
Fraud Reporting	All fraud occurrences are required to be reported to Internal Audit. We will report investigation outcomes and lessons to be learned to the Governance and Audit Committee and the Leadership Team.	Head of Audit and Risk in conjunction with services	Ongoing
Collaboration, learning lessons and closing the gap	We will continue collaborating across the north Wales region to drive forward improvements in counter-fraud activity, including addressing the 15 recommendations made by the Auditor General in his July 2020 report. We will also continue collaborating across national boundaries to collaborate with the North West Chief Audit Executive Counter Fraud Sub Group, to learn lessons, share good practice and close the gap.	Head of Audit and Risk	Ongoing
Protecting the Council and its residents	To ensure our counter-fraud strategy aligns with the Council's safeguarding responsibilities to actively protect the most vulnerable in our communities, we will work closely with social care teams to develop joint approaches to identify best practice in countering risks relating to social care fraud.	Head of Audit and Risk in conjunction with the Director of Social Services	Ongoing