Counter Fraud Activity Report

2022/23

GOVERN   ACKNOWLEDGE   PREVENT   PURSUE

PROTECTING ITSELF AND ITS RESIDENTS
Recognising the harm that fraud can cause in the community.
Protecting itself and its' residents from fraud.

Contents

1. Introduction

1.1.   This report outlines the Council's approach to counter fraud activity within Doncaster Council and St Leger Homes for the 2022/23 financial year. The Council's overall approach and strategy is contained within the Anti-Fraud, Bribery and Corruption Framework that is approved by Audit Committee. This framework was refreshed and was last approved by the Audit Committee in April 2021 and is based on the Local Government Fighting Fraud and Corruption Strategy 2020. This remains the most current and most applicable set of guiding principles for counter fraud work in local authorities.

1.2.   In line with our current strategy, this plan continues to be separate from the annual audit plan (as recommended by the Fighting Fraud and Corruption Strategy). This plan and the identified work within it has been assembled on the following basis:

- A review of our strategy against the requirements of the Local Government Fighting Fraud and Corruption Strategy 2020 and the completion of an annual self-assessment against the requirements of this document (this assessment accompanies this report);

- A review of the lessons learned and impact of the work completed under the 2021/22 Counter Fraud Plan (including the results of ongoing work under the National Fraud Initiative) to understand the impact of those findings on the Council's fraud risk landscape;

- A review of the issues identified in completed internal audit work to inform our work on the state of internal controls that are used to both manage the Council's operations and (where applicable) manage fraud risks;

- A review of the coverage of other counter fraud governance policies that manage specific fraud risks (such as insider fraud risks that are managed by the various internal HR policies and procedures – insider risks are those fraud risks where an internal employee rather than an external party is responsible for perpetrating the fraud);

- Horizon scanning looking at likely upcoming changes in technologies, government strategy and policy and the Council's own activities and direction of travel to examine how those changes (or possible changes) affect the fraud landscape in which we operate;

- Research on fraud trends and new emerging frauds and new areas that may be vulnerable to existing fraud types in order to inform our understanding of risks and the areas that may be exploited by fraudsters.

- Updating of the Council's fraud risk register and the fraud assurance maps taking into account the items above to identify areas of risk worthy of review

1.3. Annual publication of Counter Fraud Results, for both proactive and reactive work, is published in the annual Preventing and Detecting Fraud and Error report that is reported to the Audit Committee following the end of the reporting period (currently 30th of September). This date is set to coincide with the close down / results phase of the largest piece of fraud work on the Counter Fraud Plan, the National Fraud Initiative.

2. Fighting Fraud Locally – Self Assessment

2.1. A self-assessment with the Fighting Fraud and Corruption Locally Strategy 2020 has been completed and is attached to this report as Appendix 2. It is an updated version of the previous self-assessment.

2.2. The self–assessment continues to show we are complaint with the requirements of the Fighting Fraud and Corruption Locally Strategy. All required actions were completed within the previous year. The only outstanding actions are continually ongoing actions that require annual review, for example those on ensuring the right skill sets and resources are available for the programme. No further actions have been identified.

3. The Council's Anti-Fraud, Bribery and Corruption Framework

3.1. The Council's Anti-Fraud, Bribery and Corruption Framework, contains the Council's policy and strategy for dealing with fraud, both within the Council and against it. This framework was last approved by the Audit Committee in April, 2021.

3.2. This self-assessment, risk assessment and resulting plan has been produced in line with this framework and the strategy within it.

4. Horizon Scanning

4.1. The fraud landscape changes constantly, with fraudsters constantly developing their techniques and exploiting new areas of weakness. Councils and other public bodies are constantly playing catch up with limited resources. Fraud in the public sector is estimated by the Government to cost up to £52bn annually (Source House of Commons Public Accounts Committee June 2021). Detected fraud however, represents only a small proportion of the overall size of the problem. Like the proverbial iceberg, it's the undetected element that no one can see that remains the biggest risk.

4.2. 2021/22 was again a difficult year for public sector bodies with the continuation of COVID grants and the continued need for COVID supply chains. Whilst lessons were learned by both the Government issuing COVID grant schemes and by the local authorities who administered and paid them out, a heightened risk of fraud in these instances remained as fraudsters found different ways to exploit the ongoing situation. COVID isolation payments and the final Omicron COVID Business Grant schemes have now ended, however, final reconciliations and Government data matching on this area is yet to be undertaken. Counter fraud government data matching by the National Fraud Initiative for the grants from October 2021 to December 2021 were submitted in February, 2022 but the results are yet to be received for investigation. Payments made from January 2022 to the closure of the Omicron Grant scheme in March 2022 are yet to be submitted to the National Fraud Initiative. This submission will likely be in quarter one 2022/23 with the resulting matches for investigation being released in quarter 2, 2022/23. Again, this will continue to use significant amounts of counter fraud resources to check, submit, investigate and report on the resulting counter fraud matches returned by the National Fraud Initiative.

4.3. 2022/23 continues to be exposed to similar issues to those of the previous year. The Government's Cost of Living Grant being paid as a £150 Council Tax rebate is a new threat for 2022/23 and again poses a unique set of one off challenges. Whilst this grant / rebate is relatively small, it will undoubtedly be a target for fraudsters. Controls on the current scheme are being devised in order to minimise the risk of fraud and error in these payments as prevention is always better than the cure. However, this will continue to consume limited counter fraud resources and could have a negative effect

on other counter fraud work (detective and preventative work) if limited resources need to be diverted towards this kind of activity.

4.4. Looking forward for the year, it is very unlikely, given the end of free mass COVID testing and the end of legal COVID restrictions that further COVID grants will be made available by the Government or that there will be future lockdown events triggering further restrictions grants. Further cost of living grants, energy cost grants or economy boosting grants however, are a possibility and, if they emerge, will increase the demand for counter fraud work both in terms of scheme controls design, pre-payment advice and post payment counter fraud checks and investigative work into cases identified. This will continue to put pressure on resources.

4.5. Cyber enabled crime continues to rise. (This is any crime or fraud committed using technology). It remains one of the most difficult fraud types to stop as fraudsters continue to find and exploit technology vulnerabilities and exploit human weaknesses and human behaviour. It is highly unlikely that this fraud risk will ever decrease and it affects individuals, business and the council itself. Current fraud trends relating to ransomware and extortion after exploiting computer system vulnerabilities remain. The latest trends include the rise of so called "synthetic identities" – computer generated "people" with Facebook accounts and full back stories. These fake people are being used to befriend and scam individuals and businesses alike. Identity verification work on things like grants and insurance claims is, therefore, becoming more and more important.

4.6. Right to Buy fraud continues to be a significant fraud risk for the Council with discounts of up to 70% of the value of the property available to the tenant. A 10% rise in average house prices nationally makes this kind of fraud more attractive (there being more profit to be made in the illegal acquisition). Whilst cost of living rises are expected to have a breaking effect on the housing market, they are unlikely to significantly affect the fraudsters attempting to get hold of these properties. Right to buy sales fell during COVID restrictions but are

expected to again increase. This will increase the demand for pre-sale checks and counter fraud advice on sales.

4.7. Austerity measures, continue to have an effect on fraud risks, particularly financial fraud risks that involve cash or the misappropriation of income. Whilst most areas of the Council have little involvement with cash, schools in particular remain at risk. Austerity measures have seen back office and administrative based activities cut hardest over the last five years. Most schools, particularly smaller primary schools, having only two or three office staff supporting their income and banking activities. These cuts minimise the opportunity for traditional segregation of duty based financial controls, with many schools having just one person regularly involved in cash handling and banking with little opportunity for other involvement. This weakening of the controls places the cash collection processes in these schools at heightened risk of fraud. Additional schools have been added to the Internal Audit Plan to address individual school weaknesses and make recommendations for improvement.

4.8. The Social Care Cap is due to be introduced from October, 2023 (please note that this scheme and its associated legislation are still under development and may change). Under current proposals, individuals (whether they arrange and pay for their own care or have their care arranged by their local council) will start accruing costs towards their care cap and their care needs and care cap eligible expenditure will need to be tracked. This gives rise to a new form of social care fraud risk. There has always been a risk that, for social care users, income and assets may be hidden, misappropriated or misused to minimise costs or otherwise extract monies from the system. Whilst details of the scheme are not available to evaluate at the moment, these arrangements are likely to provide a new incentive to manipulate care costs to avoid care fees and therefore a new fraud risk from those arranging their own care that the Council has not been previously exposed to. As our understanding of this scheme and its associated risks develop, we will update our register and plan to provide the right counter fraud advice at the right time to minimise any potential implications for fraud.

4.9. Whilst there are other risks on the horizon, the above remain the dominant risks for the year ahead.

5. Fraud Risks

5.1. Fraud risks are routinely mapped and their assessments updated in line with the ever changing face of fraud, both nationally and locally. Fraud risks are mapped against every department and activity within the Council with a collective aggregated score for each risk type on the register. This aggregated score, makes up the Strategic Fraud Risk Register.

5.2. Fraud risks are rated using the standard Doncaster Council Risk Management Framework with financial, legislative and reputational impacts all used to rate the overall level of risk exposure. The colouring of the heat map however, does differ from the standard Doncaster model. This is due to the fact that very high impact frauds that are rated as very unlikely to occur would show as AMBER on the Doncaster register, requiring further mitigation. However, in terms of fraud risks, very unlikely represents the maximum level to which they can be controlled.

5.3. The fraud risk register maps risks that may be committed against the Council and some which may be carried out by Council staff or with the use of Council ID cards or information and are informed by our assessments and horizon scanning. Visually our risk map is as follows in the next page.

Risk Heatmap

Impact (y-axis, top to bottom): Critical, Major, Significant, Moderate, Slight

Likelihood (x-axis, left to right): Very Unlikely, Unlikely, Possible, Likely, Very Likely

Data points:

- **Critical / Very Unlikely:** Election Fraud
- **Critical / Unlikely:** Cyber Fraud
- **Major / Unlikely:** Bribery, Financial abuse of vulnerable individuals
- **Major / Possible:** Social Care Fraud (including direct payments), Housing Fraud
- **Significant / Very Unlikely:** Recruitment Fraud, Impersonation Frauds, Planning Fraud, Direct Debit Recall Fraud
- **Significant / Unlikely:** COVID Business Grants Fraud, Blue Badge Fraud, Money Laundering, Licensing Fraud, HR / Payroll Fraud, No recourse to Public Funds, Grant Fraud
- **Significant / Possible:** Benefits Fraud, Tax Frauds, Financial Fraud / Theft, Procurement Fraud, Stock Fraud / Theft, Insurance Fraud, Cost of Living Grants Fraud
- **Moderate / Possible:** Educational Fraud

5.4. The risks shown on the heat map are a mixture of inherent and residual risk exposures. Where work has been undertaken on these risks, the results have been used to inform the current risk level. Explanations of these risks along with the anticipated direction of travel are shown in Appendix 2.

6. Counter Fraud Resource Levels

6.1. The Counter Fraud Plan, shown later in this document, currently comprises the equivalent 1.75 Full Time Equivalent employees (FTEs). This includes proactive, detective and reactive time (contingency elements for investigations) of the Counter Fraud Plan. It provides for minimal coverage only, however, the Head of Internal Audit will ensure adequate resources are in place to deliver counter fraud work as required.

7. Assurance Mapping and the Counter Fraud Plan

7.1. The Counter Fraud Plan has been constructed from the Fraud Risk Register and horizon scanning and can be mapped directly to risks as required in the Fighting Fraud and Corruption Strategy. An assurance map has been created that has mapped all risks to our coverage of them (including audits as included on the proposed Counter Fraud Plan for 2022/2023) giving clear visibility of proposed coverage and gaps. Full explanations of the risks can be found in the Fraud Risk Register at Appendix 2.

7.2. The Counter Fraud Plan appears in the next section for scrutiny and approval. Following the plan, is an assurance map that maps all of the proposed activity to fraud risks, clearly showing the mapping of activity to the 4 Lines of Defence model. This model, in simple terms, shows the assurance activities on which we are placing reliance.

- The first line is always the service department that is responsible for administering or carrying out the function. It is their responsibility to design controls that are sufficient to protect the service and the public purse.

- The second line of defence is any non-audit internal department that performs checking on the activities or any form of compliance assessment. This can be electronic or manual. Most services however, do not have a compliance function, with the exception of areas such as Direct Payments.

- The third line of defence is Internal Audit or the Counter Fraud Function and their checking, either in the form of audits, compliance work or data matching initiatives. The third line of defence map therefore maps Counter Fraud activity to these risks.

- The final fourth line of defence is essentially any external body (such as the external auditor) or regulatory body that also undertakes audits, inspections or compliance checks on the fraud risk.

7.3. Looking at fraud risks in this way gives clear visibility over the level of coverage against the identified risks and assess its adequacy.

8. The Counter Fraud Plan

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
Schools Anti-Fraud Bribery and Corruption Framework	This piece of work will see the updating of the Schools Anti-Fraud and Corruption Framework which is due for review	Up to date and robust governance policies will assist in the management of fraud risks	✔						Q1
Members and Officers Declarations of Interest (This audit is currently in progress)	This audit is looking at the arrangements in place for the submission and monitoring of declarations of interest and the arrangements in place to manage conflicts of interest that are being identified. Levels of compliance with the processes are also being audited.	This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.	✔						Q1
Declarations of Gifts and Hospitality (and legacies)	This audit is looking at the arrangements in place for the submission and monitoring of declarations of gifts, hospitality and legacies and the arrangements in place to manage any potential conflicts of interest that could arise from them. Please note that it is not possible to monitor levels of compliance with the process except through whistleblowing reports and investigations as there are no other ways to identify any declarations that are missing	This audit aims to add value by ensuring that key governance policies are being complied with and can be relied up to help manage the risk of fraud and corruption.	✔						Q2

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
Counter Fraud Arrangements - Direct Payments and Personal Budgets	This audit aims to review the processes in place to award and monitor Direct Payments and Personal Budgets as used by individuals to pay for their social care requirements. This review will specifically look at the arrangements to identify and report fraud, suspected fraud and misuse of these payments as few reports of any fraudulent activity are received from these payments which are nationally recognised as a problem area.	This review aims to add value by making sure that there are robust counter fraud and fraud reporting arrangements in place over these payments and that action is being taken where possible against anyone misusing the schemes.							Q2
National Fraud Initiative - Business Rates Grants	No new business rates grants as a result of COVID are now expected with the final Omicron Grant closing at the end of March 2022. Whilst there are no new grants now expected, post payment fraud checking is yet to take place on the Omicron Grants and results of the previous grant payments made up to the 31st of December are still awaited from the NFI (this data was submitted at the end of February 2022).

This piece of work will examine any identified potential frauds, will report them and will initiate recovery where possible. | National Fraud Initiative work adds value by identifying frauds and quantifying their costs. | | | | ✔ | | | Q1 to Q2 |

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
National Fraud Initiative – 2022/23 Cycle (including Cost of Living Grants)	As well as the above Business Rates Grants activity, further themes are identified within this year's NFI activity. Council Tax and Elections data is being matched in line with the advertised NFI coverage cycles, but it is also possible that this year will see the submission and review of data matches in respect of Social Care and Residential Care Payments. These matches were due to be undertaken in 2021/22 but were postponed due to the fact that social care and residential care information was reclassified under data protection as medical information. This prevented data matching whilst legal issues were addressed. When resolved, these matches are likely to be undertaken. In addition, the Government has announced a £150 Cost of Living Grant to be paid via a Council Tax Rebate from April 2022. It is likely that payments will need both pre and post payment NFI checks. Time has also been reserved for this in this year's plan.	National Fraud Initiative work adds value by identifying frauds and quantifying their costs				✔			Q2 to Q4
Continual Analytics - Procurement Fraud	The Council uses specialist software to prevent and detect fraud and error in respect of creditor payments. This piece of work will look at the risk output of this software in order to detect and investigate fraud and error	This piece of work adds value by ensuring that valuable fraud insights are used to detect and analyse fraud trends on procurement frauds (one of the hardest fraud types to detect).				✔			Q1 to Q4

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
Continual Analytics - Billing for Discretionary Services	Data matching is currently underway in this area having been started in the previous year. This piece of work looks at the continued provision of discretionary services where the service user is not paying their invoices.	This analytical work gives insights on departments continuing to give services to non-paying clients that could be as a result of poor business practices, fraud or error.			✔	✔			Q1
Data Matching - Council Tax to Tenancy Matching	This is a joint piece of work that will be undertaken with St Leger Homes and will match Council Tax information to tenancy Information. This piece of work has been successfully performed in the past and is a repeat of a previous joint exercise.	This piece of work adds value by identifying both Tenancy and Council Tax Frauds and discrepancies for investigation.				✔			Q2 to Q3
Continual Analytics - Teachers Pensions Data Matching	This piece of work continues previous data matching initiatives to identify potential frauds and failures to notify the Council of the death of anyone receiving a teacher's pension from Doncaster Council.	This piece of work is undertaken throughout the year and helps to prevent and detect fraud and error in this area so that payments to deceased individuals are stopped / suspended before serious overpayments arise.				✔			Q1 to Q4
Continual Analytics - Cash Monitoring	Whilst the collection of cash from the public remains significantly reduced for the Council, collection remains possible (with schools being the areas with the highest cash collection levels).

This piece of work will see the re-development of cash monitoring arrangements so that cash collection trends are monitored to identify potential fraud and error. | This piece of work will add value by enabling the constant monitoring of cash collection trends to identify fraud and error. | | | | ✔ | | | Q4 |

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
Continual Analytics - Payroll to Creditor Matching	This is a data matching piece of work undertaken year on year matching payroll and creditor information to detect fraud and manage conflicts of interest.	This work adds value by identifying possible fraud or collusion and ensuring that conflicts of interest identified are being properly managed. It also helps to check that IR35 (a tax rule about off payroll payments to persons who may be classed as employees) is being properly applied.				✔			Q1 to Q4
Responsive Investigations	Time has been allowed within the Counter Fraud Plan for the investigation of fraud and suspected frauds as identified by whistleblowing, management concern or public tip off.	The investigation of suspected fraud and corruption cases is necessary in order to determine whether frauds have taken place and to identify any controls that need to be improved to prevent any future reoccurrence of issues. Where appropriate, frauds will be pursued in line with the Prosecutions Policy (part of the Anti-Fraud and Corruption Framework as agreed by the Audit Committee).					✔		Q1 to Q4
Police and Enforcement Liaison	This time has been set aside to deal with the Police and other bodies on frauds detected to ensure that enforcement and recovery action is taken as necessary.	This piece of work adds value by prosecuting perpetrators where possible. This also acts as a deterrent to future potential fraudsters.					✔		Q1 to Q4

Audit Project	Audit Scope	Value Added	Anti-Fraud Bribery and Corruption Theme Coverage						Quarter
			Govern	Acknowledge	Prevent	Detect	Pursue	Protect	
Fraud Awareness - Publicity and Campaigns	Part of any successful counter fraud function is information sharing in order to help services and individuals (whether at work or in their private lives) to avoid fraud and scams. Information has been designed for inclusion on the Doncaster Council Website and for National Fraud Awareness Week. This provision of time will be used to complete this work and raise awareness of fraud, its warning signs and what to do about any fraud that is encountered.	This type of work adds value by increasing fraud resilience both internally and externally and helps the citizens of Doncaster to stay safe online and in their transactions.						✔	Q1 and Q3

9. Counter Fraud Risk Assurance Map

FFCL Mapping / Fraud Risk	Service Controls and Checking (1st Line) / Responsible Service	Independent non audit checking (2nd Line) / Responsible Service	External Checking (4th Line) / Responsible Party	Counter Fraud Plan Coverage (3rd Line of Defence)									
				Govern	*Prevent*	*Prevent*	*Prevent*	*Prevent*	*Detect*	*Detect*	*Detect*	*Detect*	*Prevent / Detect*
				Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Benefits Fraud	Housing Benefits		Department of Work and Pensions and HMRC – Real Time Matching Services.							✔			
Blue Badge Fraud	Parking Enforcement / Customer Services (for applications)									✔			
Bribery	Line management in all areas, but no one specific area is responsible for controlling this risk			✔									
COVID Business Grants Fraud	Business Rates								✔				
Cyber Fraud	ICT	ICT are currently working with 3rd Parties on assessments of the Council's resilience and security and working through action plans to improve resilience.	External network security scans are undertaken by the Public Services Network and vulnerabilities identified for improvement	Work on this area is outsourced and has been covered in detailed audit needs assessments which have taken into account our many actions in this area including the creation of a Cyber Security Team with various security audits undertaken on a regular basis and annual monitoring by the Cabinet Office									
Direct Debit				No coverage against this specific risk. (There are no pieces of work that could assist with this risk)									

FFCL Mapping	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
				Govern	*Prevent*	*Prevent*	*Prevent*	*Prevent*	*Detect*	*Detect*	*Detect*	*Detect*	*Prevent / Detect*
Fraud Risk	**Responsible Service**	**Responsible Service**	**Responsible Party**	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Recall Fraud													
Educational Fraud	School Admissions / Early Years Teams												✔
Election Fraud	Elections Team		Electoral Commission	No internal coverage of this risk. Work in this area is left to the Electoral Commission									
Financial abuse of vulnerable individuals	All areas that work with vulnerable individuals are responsible for this and this is covered under the Code of Conduct.		Where Guardianship Orders are in place for the finances of vulnerable people that are managed by the Council, the Court of Protection requires annual reporting and scrutinises activity and expenditure.					✔					
Financial Fraud / Theft	Schools and establishments	Financial Management – however this is very limited as it only monitors that monies that the establishment says have been banked, have been received.		✔			✔					✔	

FFCL Mapping	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
				Govern	Prevent	Prevent	Prevent	Prevent	Detect	Detect	Detect	Detect	Prevent / Detect
Fraud Risk	Responsible Service	Responsible Service	Responsible Party	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
Grant Fraud (excluding business rates)	Various areas who administer grant payments		Coverage also provided where the claims / returns require audit verification.										✔
Housing Fraud	St Leger Homes / Housing Options / Right to Buy Team			✔						✔			
HR / Payroll Fraud	All areas	HR Shared Payroll exception report checking, but this would likely only identify error or large issues.		✔	✔	✔							
Impersonation Frauds	Facilities Management / All Areas			There is no coverage of this risk for this year. This risk affects members of the public.									
Insurance Fraud	Insurance Team		The Council's Insurers oversee and audit claims handling at the Council and undertakes inspections.	Work in this area is undertaken by the Council's insurer and the Insurance Team.									
Licensing Fraud	Licensing Team	Food Safety and Trading Standards		There is no coverage of this risk in this plan. Reliance is placed on the Licencing Committee and its appeals processes.									
Money Laundering	Finance / Right to Buy Team (St Leger Homes)	*Advice is routinely provided by Internal Audit on suspected cases.*		No specific review coverage, but advice is provided to the Right to Buy Team in real time as and when required.									

FFCL Mapping / Fraud Risk	Service Controls and Checking (1st Line) / Responsible Service	Independent non audit checking (2nd Line) / Responsible Service	External Checking (4th Line) / Responsible Party	Govern — Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Prevent — Continual Analytics - Payroll to Creditor Matching	Prevent — Continual Analytics - Teachers Pensions Data Matching	Prevent — Continual Analytics - Billing for Discretionary Services	Prevent — Counter Fraud Arrangements - Direct Payments and Personal Budgets	Detect — COVID Business Rate Grant Post Payment NFI Matching	Detect — National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Detect — Continual Analytics – Procurement Fraud	Detect — Continual Analytics – Cash Trend Monitoring	Prevent / Detect — Nursery Payment Provisions
No recourse to Public Funds	St Leger Homes / Housing Options / Homeless Accommodation									✔			
Planning Fraud	Planning	Significant and controversial decisions are taken by the Planning Committee	Planning Appeals Processes.	There is no coverage of this risk in this plan. Reliance is placed on the Planning Committee and its appeals processes.									
Procurement Fraud	Procurement Team and all teams involved in commissioning or procurement			✔			✔				✔		
Recruitment Fraud	HR Shared Payroll Service	Compliance checking on documentation and completed checks is undertaken by the HR Shared Service and all application and interview packs are sent to them for compliance testing.		No specific coverage in this year's plans. Reliance placed on Rotherham vetting of the application and interview documentations returned.									
Social Care Fraud (including direct payments)	Financial Assessments / Direct Payments Teams	Direct Payments are subject to compliance reviews by an independent team. Others are not.						✔		Potential coverage this year – Social Care matching is current under review and was suspended from the 2021/22 NFI process as it			

FFCL Mapping	Service Controls and Checking (1st Line)	Independent non audit checking (2nd Line)	External Checking (4th Line)	Counter Fraud Plan Coverage (3rd Line of Defence)									
				Govern	*Prevent*	*Prevent*	*Prevent*	*Prevent*	*Detect*	*Detect*	*Detect*	*Detect*	*Prevent / Detect*
Fraud Risk	**Responsible Service**	**Responsible Service**	**Responsible Party**	Declarations of Gifts and Hostility (and legacies) / Schools Anti-Fraud Bribery and Corruption Framework	Continual Analytics - Payroll to Creditor Matching	Continual Analytics - Teachers Pensions Data Matching	Continual Analytics - Billing for Discretionary Services	Counter Fraud Arrangements - Direct Payments and Personal Budgets	COVID Business Rate Grant Post Payment NFI Matching	National Fraud Initiative 22/23 (Including Cost of Living Grant checks)	Continual Analytics – Procurement Fraud	Continual Analytics – Cash Trend Monitoring	Nursery Payment Provisions
										was re-classified as health care data under the law			
Stock Fraud / Theft	All areas holding stock		Limited scrutiny by the External Auditor over stock valuations at year end.	Ongoing Internal Audit support to the North Bridge Stores Transformation Project and a detailed audit review later in the 2022/23 year provide coverage in this area.									
Tax Frauds	Council Tax / Business Rates, HR Shared Payroll Service / Treasury Management		HMRC has the ability to audit for VAT compliance but this is rare. HMRC data matching over PAYE payments however is in place.		✔				✔	✔			

10. Appendix 1 - Fighting Fraud and Corruption Locally Self-Assessment

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The Chief Executive should ensure that the authority is measuring itself against the checklist for FFCL.	G	This assessment discharges this responsibility.		
Is there a trained counter fraud resource in your organisation or do you have access to one?	G	Yes. The Internal Audit Manager is responsible for the management of the St Leger Homes and Fraud / Counter Fraud audit plans and the associated work under them. This person is CCIP trained and has extensive current experience of fraud investigation. The team also has a Senior Auditor that works on both the Audit and Counter Fraud plans who holds the same qualification. Each audit area (counter fraud included), has an assigned responsible Principal Auditor, whilst this person does not hold a fraud qualification, on the job training is being provided to impart the necessary general skills. Investigations into fraud allegations or money laundering allegations are dealt with by the trained and experienced individuals in order to ensure that the work is carried out competently and within the law (there are numerous laws under which investigations must operate and information must be obtained fairly and lawfully under the various legislation).

The Head of Internal Audit is also CCIP qualified. | | |
| Is the Audit Committee receiving regular reports on the work of those leading on fraud and is the external auditor aware of this? | G | The Audit Committee has previously received the Preventing and Detecting Fraud and Error report annually. This report runs from the 1st of October annually to the 30th of September. It is produced for the first available audit committee after the cut-off date. This report is timed to coincide with the major National Fraud Initiative dates as each cycle of activity ends on the 30th of September with data gathering commencing in October for the new cycle. This report contains all of the actual work undertaken on counter fraud work and investigations.

Counter fraud work features annually in this Counter Fraud Plan that outlines the counter fraud work and specific counter fraud reviews that are planned over the coming financial year. | | |

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Is there a portfolio holder who has fraud within their remit?	A	There is no specific portfolio holder that has responsibility for fraud. Instead the Council discharges this responsibility through the Audit Committee, making the Audit Committee responsible for challenging counter fraud activity and holding the team accountable for the completion of work on the Counter Fraud Plan.	Whilst this is not strictly compliant, it is not proposed to change this situation.	
Is the Head of Internal Audit or Head of Counter Fraud assessing resources and capability?	A	Counter Fraud resources are assessed at audit planning stage. The level of counter fraud resources employed differs from council to council. Current resource levels, as given on the accompanying plan, represent 1.75 full time equivalent persons – this includes all proactive and reactive work and represents minimum coverage levels.		
Do they have sufficient internal unfettered access?	G	Access internally to information, persons and systems is covered under the Internal Audit Charter that is approved regularly at Audit Committee and there are no concerns in this respect. For St Leger Homes, a similar Internal Audit Charter is in place. Investigative powers and memberships of investigative collaborative bodies such as the National Anti-Fraud Network, are also used to maximise the effectiveness of investigations.		
Do they produce a report on activity, success and future plans and are they measured on this?	G	The Counter Fraud Plan is produced annually in March each year for the coming financial year. It is reviewed and changed on a risk basis as and when required throughout the year but maintains the level of investment in time. This is needed to ensure that an adequate view of the fraud risks and a minimal level of fraud risk coverage is maintained. An annual Preventing and Detecting Fraud and Error report is produced for Audit Committee challenge / reporting and it contains the results of all completed counter fraud work and investigations.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Are members, audit committees and portfolio leads aware of counter fraud activity and is training available to them?	G	The Audit Committee is aware of its responsibilities in respect of counter fraud activity took place on the 5th of November, 2021. This will need to be repeated if the membership of the committee changes. General training for non-audit committee members is being relaunched but has been delayed due to the impact of business rates pre-covid checks required by the government. (There were requirements to undertake pre fraud checks using the National Fraud Initiative and to review any matches before payment). This will be released in April / May 2022. Anti-Money Laundering training has been refreshed and is being released at the time of writing this report.		
The Audit Committee should receive a report at least once a year on the counter fraud activity which includes proactive and reactive work.	G	This report (the Counter Fraud Activity Report containing the Counter Fraud Plan) details planned activity including plans to review key governance or other counter fraud items. All results are included in the Preventing and Detecting Fraud and Error Report which is produced in October each year to report actual activity and cases of fraud in the previous 12 months, including the results of proactive counter fraud activity during that same period.		
Is the fraud team independent of the process and does it produce reports to relevant committees that are scrutinised by members?	G	All counter fraud activity is undertaken by independent persons with no responsibility for the process and is reported as outlined in the above step.		
The Audit Committee should receive a report from the fraud lead on how resource is being allocated, whether it covers all areas of fraud risk and where those fraud risks are measured.	G	This report and the associated risk register and assurance map discharge these responsibilities. The risk register produced here is a summary version that has been deemed fit for general release to the audit committee. A detailed register is available down to department level and is used for planning and monitoring purposes but is not deemed to be suitable for general release due to the fact that it could be used to defraud the council.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The Audit Committee should be aware that the relevant portfolio holder is up to date and understands the activity being undertaken to counter fraud.	-	Not applicable. Doncaster has chosen to discharge portfolio holder responsibility through the Audit Committee. It is not proposed to change this.		
The Audit Committee should support counter fraud activity.	G	The Counter Fraud Plan is presented to Audit Committee for their annual approval and challenge.		
The Audit Committee should challenge activity, be aware of what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.	G	By reviewing the Council's Counter Fraud Plan, Anti-Fraud, Bribery and Corruption Framework and challenging actual results through the annual Preventing and Detecting Fraud and Error report the Audit Committee provides challenge to counter fraud activity. Where new guidance is available assessments, like this assessment against the Fighting Fraud and Corruption Locally strategy, will be provided to the Audit Committee.		
The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior board and its members.	G	A fraud risk register exists for the Council and has done for several years. Risk assessments are updated at least annually and whenever horizon scanning reveals changes in risks (whether this is a result of new fraud opportunities like those presented through Covid grants, or as a result of new kinds of fraud detected either locally or nationally). These risk assessments accompany the Counter Fraud Plan, which itself forms the basis of audits and proactive investigative work.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. The assessment includes the understanding of harm that fraud may do in the community.	G	The assessment of fraud risks, uses the Council's Risk Management Policy. Fraud risks are rated based on their financial impact, regulatory impact, reputational impact and in terms of social or financial harm to individuals or communities. Actions resulting from any counter fraud work undertaken are tracked as part of the normal Internal Audit action tracking system.		
There is an annual report to the Audit Committee or equivalent detailed assessment, to compare against the FFCL 2020 and this checklist.	G	This document discharges this responsibility.		
The relevant portfolio holder has been briefed on the fraud risks and mitigation.	G	Portfolio holder requirements are being discharged by the Audit Committee for Doncaster Council and this report discharges this responsibility.		
The Audit Committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risks and resources.	G	The Audit Committee has always supported counter fraud work as part of the Internal Audit Plan and has previously challenged audit resources overall, again as part of the overall Internal Audit Plan. However, counter fraud activity was unclear, as was the level of resource being invested in counter fraud activity (and transparency in its completion). The production of this report, and subsequent reports in future years, allow the Audit Committee to challenge activity and resources and to compare the level of invested resources to other similar local authorities.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated through the local authority and acknowledged by those charged with governance.	G	An Anti-Fraud, Bribery and Corruption Framework is in place and is regularly refreshed and brought to the Audit Committee for approval. An updated version accompanies this report. This framework is subject to review on a 3 year cycle, except where new guidance is released that needs to be taken into account or there are significant changes to processes or responsibilities.		
The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	G	The design of controls in the business environment is the responsibility of service management. Audits on anti-fraud controls are undertaken (as is detective work) as part of the Counter Fraud Plan. General audits of controls are undertaken as part of the Internal Audit Plan and where necessary, recommendations for improvement are made. Progress against these is tracked and reported to the Audit Committee.

It should be noted that this assessment cannot rate the status of each control and there will be controls out there that require improvement. This assessment is about the overall assessment, which in the main, would be green. | | |
| The risks of fraud and corruption are specifically considered in the local authority's overall risk management process. | G | The Risk Management framework at Doncaster Council includes assessments of financial risk, reputational risk and legislative risk, as well as community harm. These are sufficient to cover the effects of fraud risks. | | |
| Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported to Audit Committee. | G | This is normal practice. This may be done by audit general staff where there are no specific fraud risks and the policy is general, and where the risk is higher, this is done by counter fraud trained staff. | | |

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
Successful cases of proven fraud / corruption are routinely publicised to raise awareness.	G	A decision is made after every case as to whether it is in the public interest to prosecute a case (this is done wherever it is appropriate). Where there are successful prosecutions, press statements will be released. Where internal action is taken or where the case is not deemed to be in the public interest to prosecute (in line with the Anti-Fraud Bribery and Corruption Framework), these are published in the annual Preventing and Detecting Fraud and Error reports.		
The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	G	Preventative internal controls in services are the responsibility of service management to design and implement. Advice is available from audit / counter fraud staff where needed. As the fraud landscape is constantly changing, preventive and detective controls will also keep changing. Keeping up with fraudsters is difficult and is a constant game of cat and mouse. Counter fraud audits, advice and data matching to detect fraud and error is our current strategy. Ensuring that data matching work is completed and where successful embedded into business as usual activities, is key to the improvement of detective controls.	Ensure the delivery of the counter fraud plan	Ongoing
The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: • Codes of conduct including behaviour for counter fraud, anti-bribery and corruption • register of interests • register of gifts and hospitality.	G	All of these items are in place and are regularly reviewed and subject to audit on a regular basis.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the recommended checks in FFCL 2020 to prevent potentially dishonest employees from being appointed.	G	Recruitment policies and procedures are in place and compliance with them is checked by the Joint Payroll service commissioned with Rotherham. References are requested for all posts and are followed up. DBS checks are undertaken where there is an identified need.		
Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	G	Annual declaration of interest processes are in place and are adhered to. Interest registers are automatic for staff and automatically remind individuals to complete them and escalate non-compliance. It is the responsibility of the employing manager to monitor and manage conflicts of interest with advice available from Internal Audit where appropriate. Registers are used when investigations take place or during audit reviews. Data matching checks between Payroll and Creditors (part of the Counter Fraud Plan) check and identify undeclared conflicts of interest internally and action is taken against these to improve controls or mitigate risks. Action from this is reported to committee. An audit of both members and officers declarations process is underway at the time of writing this report.		
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	G	A Counter Fraud Plan exists and is reported to and its completion monitored, by Audit Committee. It includes all elements as prescribed under the Fighting Fraud and Corruption Locally Strategy 2020.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There is an independent and up to date whistleblowing policy which is monitored for take up and can show that suspicions have been acted upon without internal pressure	G	A Whistleblowing policy is in place and is communicated to all staff. It was last approved in October 2020. There is annual reporting against it to the Audit Committee.		
Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	G	Whistleblowing and fraud are covered in tendering documents and contracts as appropriate.		
Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	A	See previous comments on the level of resources. Resources are available but represent minimum coverage.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	G	The Counter Fraud Plan has been separated to increase accountability and transparency. Showing it as a separate plan, allows the plan to be mapped clearly to risks and the Fighting Fraud and Corruption Locally Stagey so that those charged with governance can clearly see the value of the work and understand the risks should it not go ahead.

The plan includes some counter fraud activities at St Leger Homes on Right To Buy Fraud and Tenancy Fraud, although these activities are funded from the St Leger Homes Audit Plan. These risks remain the responsibility of Doncaster Council, despite the management of these risks by St Leger Homes. | | |
Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	G	Statistics and outcomes are reported annually in the Preventing and Detecting Fraud and Error report sent to Audit Committee.		
Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	G	As stated previously, this is covered by the Internal Audit Charter and those working on counter fraud activities have access to all areas and documents that they need to do their jobs.		
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	G	See *Successful cases of proven fraud / corruption are routinely publicised to raise awareness.*		
All allegations of fraud and corruption are risk assessed.	G	All allegations received are risk assessed. This is not a formal document risk assessment, like those used in Trading Standards or enforcement activities. Background assessments to attempt to verify or contradict the allegations are completed before any formal investigation starts. All investigations are done on a risk basis.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The fraud and corruption response plan covers all areas of counter fraud work (prevention, detection, investigation, sanctions and redress).	G	All areas are addressed in the Counter Fraud Plan and have been labelled as Prevent, Detect, and Pursue (which includes investigation, sanctions and redress). This terminology has been used as it is commensurate with the Fighting Fraud Locally Strategy.		
The fraud response plan is linked to the audit plan and is communicated to senior management and members.	G	The Counter Fraud Plan is now an integral part of the internal audit plan and is informed by work that is undertaken on the audit plan. Both plans are being presented in April to Audit Committee to enable transparency and comparison of the resource levels on both plans. Where counter fraud work or responsive fraud investigation identifies issues, normal audit jobs are included to ensure that the issues are isolated and are not endemic. For example, issues uncovered at a school after investigation, have been reflected in the audit plan so as to determine whether the control failures are isolated or whether there are weakening controls across schools that represent increasing levels of risk.		
Asset recovery and civil recovery are considered in all cases.	G	Sanctions and redress are considered in all cases and are pursued where it is possible and in the public interest to do so. This is covered in the Anti-Fraud Bribery and corruption framework.		
There is a zero tolerance approach to fraud and corruption that is defined and monitored and which is always reported to the committee.	G	The term "zero tolerance" is an out dated term that, while intended to reflect that council's will do everything reasonable to prevent, detect and investigate fraud and corruption, is neither realistic nor proportionate. This authority, like most, uses a risk based approach to ensuring that resources are targeted against the highest risks and that the investigation of issues is proportionate and cost effective. Fraud and counter fraud resources are finite. All cases are investigated proportionately and on a risk basis.		
There is a programme of proactive counter fraud work which covers risks identified in the assessment.	G	The Counter Fraud Plan is prepared from the fraud risk assessment and has been mapped to fraud risks so that our work is accountable and transparent.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	G	Joint working is promoted wherever possible. The Internal Audit Manager who has responsibility for both the Counter Fraud and St Leger Homes plans (and therefore covers fraud at both locations with support from other staff), actively works with other fraud teams across Yorkshire and Humberside on fraud collaborations and sharing best practice. Where possible and cross border issues have arisen, the team works with other agencies on cases.		
The authority shares data across its own departments and between other enforcement agencies.	G	Data and intelligence is shared wherever appropriate and permissible under the Data Protection Act.		
Prevention measures and projects are undertaken using data analytics where possible.	A	Data analytics work has been undertaken for approximately 6 years at Doncaster Council, however, many planned pieces of work have not been able to be progressed due to the prioritisation of other work. This programme of preventative and detective work sets out a plan for its delivery going forwards but this plan is dependent on the availability of individuals within the team with the right computer and analytics skill sets.	Ensure sufficient resources with sufficient skills are allocated to the Counter Fraud Programme	Ongoing
The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	G	This resource is accessed and used where appropriate. It is used to share good practice and tools.		
The counter fraud team has access to the Fighting Fraud and Corruption Locally regional network.	G	The Internal Audit Manager, who is responsible for the Counter Fraud Plan and St Leger Homes Plan is part of working groups on the development of investigative powers for social care frauds and develop agreed frameworks for costing and applying values to detected fraud issues. The team works with other local authorities across the Yorkshire and Humberside region on a regular basis.		

FFCL Evaluation Point	RAG Rating	Self-Assessment Evaluation	Actions required.	Target Date
There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they too must be trained in this area.	G	There are 2 accredited investigators working on the Council Fraud Plan. A trained Data Analyst is available to assist with data analytics work but the data analytics and data matching skills are limited to just 2 members of the team (one being the Audit Manager). Ensuring the availability of skills like these is key to success of the counter fraud plan. A Principal Auditor also works on the Counter Fraud Plan, who is receiving on the job counter fraud training. All work on counter fraud or responsive fraud investigation, is supervised by a trained individual.		
The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	G	All of the staff working on these areas are experienced and have worked with the authority for a minimum of 5 years. They are familiar with their respective areas. The Internal Audit Manager that oversees this work, has 16 years' experience of auditing and fraud investigation across the council. Where a member of staff working on an area is unfamiliar with it, or needs assistance, further supervision is administered as required to ensure that the work is accurate and of a good standard.		
The counter fraud team has access (through partnership / other local authorities / or funds to buy in) to specialist staff for surveillance, computer forensics, asset recovery and financial investigations.	G	Access to specialist services is available where the need arises. Resources would likely be externally sourced through contacts within the National Anti-Fraud Network.		
Weaknesses revealed by instances of prove fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	G	This is standard audit practice and is prescribed by the UK Public Sector Internal Audit Standards. Where appropriate, the Counter Fraud Plan reflects this activity.		

11. Appendix 2 – Fraud Risk Register

The direction of travel shown by the arrow shows whether the risk is expected to increase, decrease or stay the same over the coming year. It is not a comparison to its last position, it is a forward look not a backwards look at the risk history. All risk ratings are based on the assessment at the time it was undertaken (March 2022) and represent the risks assessed position according to the Risk Management Framework as agreed by the Council and the Audit Committee. Whilst risks may be increasing as indicated in the narrative, it does not necessarily mean that it has / will change risk rating (e.g. High, Medium low etc) as this is based on the wide criteria that is set in the Risk Management Framework.

Fraud Risk	Current Risk and Direction of Travel	Explanations
Benefits Fraud	**Medium / High** ↓	New Housing Benefits claims are only available to those of state pension age or those in temporary accommodation and the value of the benefits in payment continue to fall. This however, still remains a real risk and real-time checking is used to detect and prevent fraudulent claims wherever possible. Please note that the responsibility for investigating Housing Benefits Fraud lies with the Department for Work and Pensions and not the Council.
Blue Badge Fraud	**Medium** ↔	Blue badge fraud decreased during the pandemic as significantly less people used the town centre and other controlled areas. Whilst town centre traffic is now increasing, parking in the town centre has fully recovered and remains lower than pre-pandemic levels which continues to supress the likelihood of blue badge fraud being perpetrated. The impact financially of this risk remains low, but reputational impact and the emotive nature of this risk means that it remains a medium to low risk.
Bribery	**Medium** ↔	Bribery risks, where someone is bribed to deliberately do something that they know is wrong, carry a prison sentence and there are implications for the Council itself should it fail to take adequate steps to prevent bribery (these can include fines or jail sentences for senior officers). Our main exposures for bribery risks are in the areas of property sales, developments, planning permissions and procurements, however, controls in these areas are in place to mitigate the risks as much as possible. Fraud training is available.
Cost of Living Grant	**Medium** ↑	This will be a new one off grant type for 2022/23. The Government currently plans a £150 one off payment for each household in Council Tax bands A to D (to be paid by the Council using Council Tax information). This has been shown as a separate risk from other grants. Whilst payment amounts are small, there are 132,581 properties in Doncaster where there is a potential eligibility (data taken as at the 28th of November, 2021) leaving potentially £20m of expenditure exposed to potential fraud. The low value of the payment means it is less attractive for fraudsters but some fraud is still likely. As a result, this risk has been given a medium risk with exposure lasting until payments have been made and reconciled and post fraud checks undertaken on the results. It should be noted that whilst the cost of this grant is being covered by the Government, this is still a risk against the public purse.

Fraud Risk	Current Risk and Direction of Travel	Explanations
COVID Business Grants	**Medium** ⬇	COVID Business rates grants during the pandemic phases have been provided to businesses in order to assist them to weather the financial impact of the pandemic. Now restrictions have lifted, free testing has ended and we enter (what is hoped to be) the recovery stage, additional COVID business grants are unlikely and additional pay-outs going forwards in this area are not expected.
		No new payments means that no new exposure to this particular risk type, however, it remains on this year's fraud risk register due to the fact that the last business grant (The Omicron Grant) closed in March 2022. All payments at the time of this assessment were completed, however, counter fraud data cross matching still needs to be completed and the results investigated. This may mean that additional cases of fraud in payments ALREADY made are uncovered in the coming months. This risk therefore, remains on the register until this review and investigation work is completed and all exposures known. We expect to be able to report on any further identified cases in the October Preventing and Detecting Fraud and Error Report.
Cyber Fraud	**Medium** ⬆	Cyber fraud is any cyber enabled crime, but in this case is used to refer to the extortion of funds from Doncaster Council via malware or Trojans, denial of service attacks (where council systems are repeatedly bombarded with traffic to crash them or stall them), phishing, and criminal access to internal systems by 3rd parties for electronic data theft or harvesting.
		Remote working globally has increased the reach of hackers and cyber criminals with increased targeting of individuals as a result of this global trend. Individuals remain the biggest weakness in arrangements to combat these types of attacks / crimes with ever more elaborate ways to phish for data and access. Whilst controls are in place and are constantly being developed and enhanced to combat this type of fraud, organisations are always playing catch-up to the fraudsters in this respect. Whilst the risk remains a medium risk for the Council, organisations continue to experience ever more attempts to breach their controls. For this reason, the direction of travel has been shows an upwards trend.
Direct Debit Recall Fraud	**Low** ↔	Direct Debit Recall Fraud is a relatively rare type of fraud, in which fraudsters buy or obtain access to an account and use the Direct Debit guarantee to challenge and recover monies paid by Direct Debit. This type of fraud is more common in the Greater London area and for authorities that use signatureless direct debit set up methods. There have been increases in this kind of fraud during the last 2 years, mainly fed by BREXIT and the out flux of foreign national workers from the UK. These workers that left the UK, often left behind bank accounts that had been used to make direct debit payments which fraudsters have set about exploiting. Incidents here at Doncaster however, remain very low with minimal claims being made under the Direct Debit Guarantee Scheme.
Education Fraud	**Low** ↔	School admissions fraud (falsely claiming to live in a school's catchment area) and fraudulent claims from nurseries for education placements are a well know kind of long standing fraud. School admissions fraud has mainly a reputational impact. Whilst it has an impact on schools, its emotive nature means reputational risks are higher than the financial impact. Nursery placement provisions are subject to audit by an internal independent team (not by Internal Audit) and are mainly financial in nature. Risk levels here, are relatively stable.

Fraud Risk	Current Risk and Direction of Travel	Explanations
Election Fraud	**Low** ↔	The illegal interference with general or local elections is a crime. Whilst it has a very high impact, it is very unlikely with controls over voter registration, vote casting and at all stages in the process. This risk is currently assessed as stable.
Financial abuse of vulnerable individuals	**Medium** ↔	The financial abuse of vulnerable individuals is a risk for all councils. Long term care arrangements and guardianship orders, where the individual is reliant on any individual, may be exploited by individuals for their own purposes. The Council manages care for some vulnerable residents and for a small number of clients administers their financial affairs. Whilst it is unlikely that any Council employee working in these areas would exploit their clients, it remains a risk to be managed and monitored through appropriate internal controls and reporting. This risk is considered a static / stable risk and has significantly reduced since the majority of care establishments were transferred to the private sector.
Financial Fraud / Theft	**Medium** ↔	Financial fraud / thefts essentially relate to the risks associated with cash and the processing of cash and cash equivalents. Whilst the cash handling activities are now minimised across the Council (with electronic payment methods the preferred option). Schools remain the biggest risk in this respect currently, although other establishments like the museum are again exposed to this risk now that they have reopened after the pandemic.
Grant Fraud (excluding business rates)	**Low** ↓	The Council administers many grants, some temporary as a result of Covid, and others more business as usual. Temporary grants in respect of COVID to individuals such as isolation payments etc have come to an end and are no longer considered a risk which is reflected in the downward risk trend for this risk type. Most of the remaining long term grants we administer are low value, although some grants have higher reputational impact than others. Most remaining grants fall into the low risk category. (Please note that COVID Business Grants and the new energy crisis / cost of living grant are included as separate categories).
Housing Fraud	**Medium High** ↑	Housing fraud includes tenancy selling and subletting and Right to Buy fraud. Tenancy fraud, especially subletting, are rare in Doncaster, however, with differences in private and public sector rents increasing, this risk is also increasing. Right to Buy fraud however is the main driver for this risk group. A 10% increase in average housing prices (as per the Land Registry) coupled with generous Right to Buy discounts means social housing property purchases are ever more enticing. The current cost of living squeezes however, are expected to have a breaking effect on the property market. Right to Buy sales fell during 2020/2021 by around 35% due to the pandemic, but are now expected to increase to at least pre-pandemic levels this year. Whilst there are a lot of unknowns in judging this risk, this risk level is believed to be currently increasing.

Fraud Risk	Current Risk and Direction of Travel	Explanations
HR and Payroll Fraud	**Medium** ↔	HR Payroll frauds are essentially time, pay or expenses frauds. They are by far the most common of all frauds and are faced by any business. They are almost impossible to properly prevent with the cost of control usually outweighing the cost of the fraud. Risks in terms of time frauds and pay frauds (such as false overtime claims or misuse of company time) remain higher than pre-pandemic levels due to the continued significant amounts of remote working. There has been a fall in reported instances of this type of fraud, but this is highly unlikely to be representative of what is actually happening and is clearly caused by the lack of visibility of staff and reliance solely on performance monitoring. Expenses fraud risks have significantly deceased with substantially less claims for mileage and expenses as a direct consequence of the Covid-19 pandemic, however this risk is likely to increase during the year as individuals return to office working. It is not expected to return to pre-pandemic levels due to the continued sizable work from home presence.
Imperson ation Frauds	**Low** ↔	Impersonation frauds, in terms of this risk assessment, are where Council ID or purports claim to be from the Council and uses that to gain the trust of vulnerable persons or access to properties. It is not a fraud against the Council but would affect the reputation of the Council and trust in it. It is rated as low having been re rated from the previous year. This risk is static with care being taken over the recovery of IDs and the use of uniforms.
Insurance Fraud	**Medium** ↔	Insurance fraud is essentially where someone attempts to make fraudulent, inflated or fictitious claims against the Council and their insurance. These have a financial impact on the Council and are a common fraud kind worldwide. The Insurance Team handles the claims and this is overseen by the Council's Insurer. This kind of fraud is currently judged to be stable, although as more traffic and activity returns to the roads, this risk may increase.
Licensing Fraud	**Medium** ↔	Licensing fraud is essentially where business or individuals who require licenses to trade, trade illegally without a license or deal in counterfeit or illegal goods. This is a fraud that is typically looked at by Food Standards and Trading Standards. This kind of fraud is looked at by the National Fraud Initiative, although the majority of the work is done in Trading Standards. This fraud is judged based on the harm that it can do to the economy and to the citizens of Doncaster. It is currently judged to be stable, although all risk assessments are subjective.
Money Laundering	**Medium** ↑	Normally Money Laundering Risks for the Council are rated as low as there are limited opportunities for laundering money using the Council. However, this risk assessment also encompasses St Leger Homes who do have a medium level money laundering risk due to their involvement in Right to Buy sales which can involve partial cash payments. Money laundering is where cash from criminal activities or criminal gangs are cleaned by using them to purchase legitimate assets such as property or make it look like they have come from a legitimate source, e.g., the Council. Right to Buy applications are increasing again after the slowdown caused by the pandemic. As a result, we are showing an upwards trend in this risk as Right to Buy sales increase.

Fraud Risk	Current Risk and Direction of Travel	Explanations
No recourse to Public Funds	**Medium** ⟷	No recourse to public funds frauds are an unusual fraud and are more prevalent in the south of England. Where someone is an immigrant, legal or otherwise and has no leave to remain or access to government support, they have "no recourse to public funds". This fraud occurs where, due to circumstances, someone with no entitlement to help receives it. Council exposure for these frauds is low, but homelessness accommodation as managed by St Leger Homes is exposed to these kinds of risk as the need to house and safeguard individuals (particularly during the Covid-19 pandemic) outweighs the resources needed to undertake the checks. These frauds cost the public purse directly and the likelihood of any recovery of monies is very low as the individual does not access any form of legitimate funds with which to pay. These frauds are currently, at the time of this report, judged as stable.
Planning Fraud	**Low** ⟷	Planning Fraud is essentially a bribery risk, however, being unique to local authorities and emotive to those involved, it has been listed independently on the Council's risk register. Planning decisions are subject to scrutiny and challenge by independent committees with an appeals process in place for those unhappy with their decisions. This kind of fraud is rare and is judged as stable.
Procure-ment Fraud	**Medium** ⟷	Procurement fraud comprises numerous sub types. Inflated or fictitious invoices, fake suppliers set up to extort payments, price fixing amongst suppliers etc. Procurement fraud is one of the hardest types of fraud to detect, especially price fixing. In the previous year, this risk was judged to be increasing. Fraudsters are using the confusion caused by many individuals and businesses moving to digital methods due to Covid, or are targeting busy establishments like schools in an attempt to push through fraudulent invoices. Nationally, the National Anti-Fraud Network saw increases in the amount of fraudulent attempts in this respect, especially in terms of schools. For this year's assessment, we judge this risk as stable. We continue to see the heightened level of attempts against the public sector.
Recruitment Fraud	**Low** ⟷	Recruitment fraud is essentially where prospective employees lie about qualifications, experience, their history or previous salaries in order to gain employment. Once a fraudulent person is brought into the Council, it is much more likely that they will commit further frauds. Recruitment checks are undertaken by managers and compliance checking on the recruitment checks is undertaken by the Shared HR Payroll Service. This kind of fraud is currently judged to be stable.

Fraud Risk	Current Risk and Direction of Travel	Explanations
Social Care Fraud	Medium High ↑	Social care fraud happens where an individual lies about their income or expenditure on a care assessment to deliberately attempt to minimise or avoid having to continue to their own care bills, leaving the cost to be paid by the Council or fail to meet their share of agreed social care costs. Social care fraud can also happen where monies given to an individual in the form of a personal budget or direct payment are misused for illegitimate purposes. This fraud can be committed by the individual themselves or by their family where they are also abusing their vulnerable relative. Currently the Council has limited powers to investigate this kind of fraud, but additional powers are being sought through national working groups. This kind of fraud is nationally on the increase as budgets are tightened and care users are offered more choice and control over their care.
Stock Fraud / Theft	Medium ↔	Stock fraud is essentially fraud or theft involving goods and stocks. They are usually quite simple frauds with goods been used for person benefit or being sold on. These frauds can be committed internally or externally via break-ins and cover everything from repair items for council houses to vehicles and PPE equipment. This kind of fraud is a long standing and traditional fraud and is considered to be a stable risk.
Tax Frauds	Medium High ↔	This kind of fraud covers a multitude of different taxes. The Council collects taxes in the form of PAYE from payroll, VAT from sales, Council Tax from citizens and Business Rates from businesses. In terms of PAYE and VAT, the Council has a low risk exposure but Council Tax Fraud and Business Rates exemptions, reliefs and grants frauds are rated much higher. Whilst Council Tax frauds (the claiming of single persons and other discounts) are relatively small in value, collectively they form a significant fraud risk. Higher still are the costs of business rates frauds, which due to the nature of the business rates system are difficult to spot and stop with phoenix companies being set up to avoid rates or wipe out arrears is a national issue. Risk rates are considered stable however. Covid grant risks in terms of Business Rates have been given their own risk.