Hertfordshire County Council
Anti-Fraud Plan
in partnership with
Hertfordshire Shared Anti-Fraud Service
2016/2017

Contents

Introduction

This plan supports the Councils Anti-Fraud and Corruption Strategy by ensuring that the Council, working in partnership with the Hertfordshire Shared Anti-Fraud Service, has in place affective resources and controls to prevent and deter fraud as well as investigate those matters that do arise.

The Councils Anti-Fraud and Corruption Strategy states:

*The Primary aim of this Strategy is to make it absolutely clear to the Citizens and stakeholders of Hertfordshire County Council that, as an organisation and individuals, we are committed to honesty, openness, and propriety, in all of our dealings. Simply put, **fraud and corruption will not be tolerated.***

We will do our utmost to foster a culture in which fraud and corruption can find no foothold, and any attempt to conduct illegal activity, either internal or external, against the Council will be met with a united and resolute front.

This plan includes objectives and key performance indicators to measure the Councils effectiveness against its Strategy and meet the best practice guidance/directives from central government department such as Department for Communities and Local Government and other bodies such as National Audit Office, the Chartered Institute for Public Finance and Accountancy and The European Institute for Combatting Corruption and Fraud.

The National Context.

The Audit Commissions 2014 report '***Protecting the Public Purse'*** included a summary of statements from its findings.

- The scale of fraud against local government is large, but difficult to quantify with precision. In 2013, the National Fraud Authority estimated that fraud cost local government £2.1 billion, but this is probably an underestimate.

- In total, local government bodies detected fewer cases of fraud in 2013/14 compared with the previous year. However, the value of fraud increased to over £188 million.

- In the past 5 years, councils have shifted their focus from benefit fraud to non-benefit fraud. From 2016, they will no longer deal with benefit fraud. Councils will need to focus on the non-benefit frauds that present the highest risk of losses, including those that arise from the unintended consequences of national policies.

- Local government bodies have a duty to protect the public purse (s.151 LGFA1992). A corporate approach to tackling fraud helps them to be effective stewards of scarce public resources and involves a number of core components.

The Chartered Institute for Public Finance and Accountancy (CIPFA) in its 2015 publication '***Code of practice on managing the risk of fraud and corruption'*** highlights five principles outlining public bodies 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

The five key principles of the code are to:
- Acknowledge the responsibility of the governing body for countering fraud and corruption
- Identify the fraud and corruption risks
- Develop an appropriate counter fraud and corruption strategy
- Provide resources to implement the strategy
- Take action in response to fraud and corruption.

The Fighting Fraud Locally Strategy (2012 and 2015) highlights the three keys areas for councils to consider when dealing with fraud-**Acknowledge**, **Prevent** and **Pursue**, the Aims of this Local Anti-Fraud Plan reflect these fully as does the Councils Anti-Fraud and Corruption Strategy.

HCC Anti-Fraud Action Plan 2016/2017

Fighting Fraud Locally Theme	Activity	Lead Officer/s	Target Date/Value/Measure
Acknowledge and understand fraud risks	Review the Councils existing Anti-Fraud and Corruption Policy, Fraud Response Plan and, Whistleblowing Policy, Money Laundering Policy implement a new Fraud Prosecution Policy.	SAFS Manager and HCC Head of Assurance.	October 2016
	Ensure that the Council retains its Board and Partner role in SAFS and funding for that service.	HCC Head of Assurance and S.151 Officer	Ongoing
	Annual reports to the Audit Committee on anti-fraud activities across HCC.	SAFS Manager and HCC Head of Assurance	July Annual report for previous year. March Plan for following year.
	Identify key fraud risks faced by the Council. Add to Risk Register as appropriate.	SAFS Manager and HCC Risk Manager	Ongoing
	Promote and publicise the costs of fraud to staff, members and local residents including the impact this had on Council Services.	SAFS Manager	Ongoing. Through press releases and use of Compass and targeted public campaigns
	Subscribe to organisations and events that demonstrate the Councils zero tolerance to fraud. Such as Fraud Error and Debt Task Force, CIPFA, Local Authority Investigation Officers Group.	SAFS Manager	Ongoing

	Activity	Lead Officer/s	Target Date/Value/Measure
	Have in place and review/maintain E-learning anti-fraud training packages for HCC Staff	SAFS Manager	Review current package by October 2016
	Have in place and review/maintain E-learning Money Laundering training for appropriate staff	HCC Head of Assurance	Review current package by December 2016
	Provide Fraud Awareness training to Elected Members	SAFS Manager	May 2016. Planned event
	Develop a Cyber-Crime Response plan/document which considers how Cyber-Crime is used to commit fraud and how the SAFS Partners can be protected against this emerging threat.	SAFS Manager. HCC IT Mgrs and Data Mgrs	December 2016
Fighting Fraud Locally Theme	**Activity**	**Lead Officer/s**	**Target Date/Value/Measure**
Prevent and deter fraud	Maintain a strong internal control framework as assessed by SIAS Internal Audit Annual Report	Head of Assurance Service	Ongoing
	Create and maintain Data Sharing Procedures including Information Sharing Protocol (ISP), PIA/EIA to allow for lawful exchange of data between SAFS and HCC.	SAFS Manager with Head of Information Security and Data Protection and Head of Legal	March 2017
	Deliver fraud awareness, prevention training and workshops to Council Services at risk if fraud	SAFS Manager	5 Local Events at HCC delivered by SAFS

	Activity	Lead Officer/s	Target Date/Value/Measure
	Have in place one SAFS Counter Fraud Officer FTE for HCC exclusive use. Access to SAFS Intel/Admin to support for this role. Access to SAFS Manager for Senior Mgt Meetings.	SAFS Manager	Ongoing
	Issue Fraud Alerts to appropriate staff and managers as when new fraud threats arise and publish a Fraud & Corruption Newsletter for staff.	SAFS Manager	Ongoing
	Have in place fraud reporting tools to allow staff and public alike to report fraud.	SAFS Manager	Webpage/ Compass Link. Hotlines and email reporting. Ongoing
	Permit SAFS to oversee and assist the delivery of the National Fraud Initiative 2016 as the NFI SPOC for HCC.	HCC Head of Assurance Services	May 2016
	Provide access to services such as National Anti-Fraud Service (NAFN), CIPFA, Local Authority Investigation Officers Group (LAIOG) to benefit both HCC and SAFS.	SAFS Manager	From April 2016
Fighting Fraud Locally Theme	**Activity**	**Lead Officer/s**	**Target Date/Value/Measure**
Be stronger in pursuing fraud and recovering losses	Record identified financial savings from anti-fraud activity. Record value of all fraud identified to an agreed, auditable and recognised standard.	SAFS Manager	Ongoing

	Maximise civil recovery and utilise civil recovery methods to seek redress where fraud is identified.	SAFS Manager in partnership with relevant Service and Debt Managers	Ongoing
	HCC will Publicise prosecutions, sanctions, recovery to demonstrate a zero tolerance to fraud and act as a deterrence to others.	SAFS Manager and HCC Comms Team	Ongoing
	To work in a partnership role with SAFS and ensure that SAFS delivers value for money and return on investment to HCC, be this in actual new revenue or future savings.	S.151 Officer and Head of Assurance	Ongoing
	HCC to support County wide CTAX SPD review which will benefit the Council, and any other opportunities to conduct anti-fraud projects with SAFS as required.	S.151 Officer and Head of Finance.	October 2016 for procurement and ongoing for contract management

Appendix B

SAFS Resources 2016/2017

Budget

In 2015/2016 SAFS had the advantage for funding from CLG (£366,000) to meet many of its set up costs including project management, case management, IT hardware and licenses. The Partner fee in 2015/2016 was agreed at £80,000 split between a fixed and flexible elements. A small surplus was delivered in 2015/2016 which allowed the fee for 2016/2017 to be reduced.

The agreed annual funding for each SAFS partner has been set at £75,000 per partner as a fixed fee payable quarterly. Because of its size, compared to District Partners and additional need of services from SAFS HCC will contribute a further £30,000. It has been agreed that SAFS will be allowed to build up a small operating reserve but should this be exhausted all Partners agree to meet any shortfall in Budgets equally.

Staffing

The full complement of SAFS posts have now been filled with 9 FTE's in post; 1 Manager, 1 Assistant Manager, 5 Investigators and 2 Intelligence Officers. All the investigators are fully trained and accredited but both Intelligence Officers require training and accreditation and this is ongoing and will be met from the CLG funding.

The SAFS Team is also supported by 1 FTE Data-Analyst and ½ FTE Business Support. Both these posts are funded through the SAFS Budget.

For staffing- HCCCouncil will have exclusive access to one FTE Senior Investigator and, access to intelligence functions of the service, all data-matching services being offered through the local data-warehouse and call on the Counter Fraud Manager for quarterly liaison meetings, senior managers meetings and two Audit Committees per annum.

SAFS

KPIs for HCC 2016/2017

KPI	Measure	2015/2016 Target	Quarterly Target	SAFS Project Aims
1	Provide an Investigation Service	1 FTE on call at HCC	100%	**Ensure ongoing effectiveness and resilience of anti-fraud arrangements when the impact of the Single Fraud Investigation Service (SFIS) takes effect.**
2	Identified Value of Fraud prevented/detected. Based on the Methodology agreed by SAFS Board	£300k	£75k	**Deliver financial benefits in terms of cost savings or increased revenue.**
3	Allegations of fraud Received. From all sources.	100 Fraud referrals	25	**Improve the reach into the areas of non-benefit and corporate fraud within the county.**
4	Success rates for cases investigated. This will ensure that quality investigations are undertaken.	50%	50%	**Create a recognised centre of excellence able to disseminate alerts and share best practice nationally.**
5	Conduct Data-Matching using the local data-hub, NFI and other data-matching/mining.	Data-Hub, Access to NFI and County SPD Exercise	100%	**Create a data hub for Hertfordshire.**

Appendix D

SAFS- Standards of Service.

SAFS will provide HCC with the following fraud prevention and investigation services as part of the contracted anti-fraud function.

1. Access to a managed fraud hotline and webpage for public reporting.
2. Process and document for SAFS Partner staff to report suspected fraud to SAFS.
3. Training in: Fraud Awareness (management/staff/members), Fraud Prevention, ID Fraud Prevention.
4. Assistance in the design of Council policies processes and documents to deter/prevent fraud.
5. SAFS will design shared/common anti-fraud strategies and policies or templates to be adopted by the Council.
6. SAFS will provide a proactive data-matching solution (data-warehouse) to identify fraud and prevent fraud occurring.
   - The data-warehouse will be funded by SAFS and located in accordance with DPA requirements.
   - The data-warehouse will be secure and accessible only by named SAFS Staff. Data will be collected and loaded in a secure manner.
   - SAFS will design and maintain a data-sharing protocol for SAFS Partners to review and agree to as they choose. The protocol will clearly outline security provisions and include a PIA.
   - SAFS will work with nominated officers in the SAFS Partners to access data-sets to load to load into the data-warehouse and determine the frequency of these.
   - SAFS will work with Partners to determine the most appropriate data-matching for each of them and the frequency of such data-matching.
7. All SAFS Staff will be qualified, fully trained and/or accredited to undertake their duties lawfully, or be working towards such qualifications.
8. All SAFS investigations will comply with legislation including DPA, PACE, CPIA, HRA, RIPA* and all relevant policies of the Council.
9. Reactive fraud investigations.
   - All reported fraud will be actioned by SAFS within 10 days.
   - The Council will be informed of all reported fraud and how SAFS are going to deal with this.

- SAFS will allocate an officer to each investigation.
- SAFS officers will liaise with nominated officers at the Council to access data/systems/accommodation required to undertake their investigations.
- SAFS Officers will provide updates on cases and a report with summary of facts and supporting evidence on conclusion of the investigation for the Council to review and make any decisions.
- Where a decision indicates an offence SAFS Officers will draft a report for the nominated officers of the Council to make a decision on any further sanctions/prosecutions.

10. Where sanctions, penalties or prosecutions are sought SAFS will work with the Council to determine the appropriate disposal based on the Code for Crown Prosecutors and the Councils published policies. Decisions on imposition of any sanction will lay with the Council but the issue of any penalty will be resolved locally on a case by case basis.

11. SAFS will provide reports through the SAFS Board on progress and to the Councils Audit Committee.

12. SAFS will provide Alerts to all Partners, including HCC, of suspected fraud trends or reports/guidance from government and public organisations that are relevant to fraud.

Data Protection Act, Police and Criminal Evidence Act, Criminal Procedures and Investigations Act, Human Rights Act, Regulation of Investigatory Powers Act.