

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: 2023-24 Annual Counter Fraud Report	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Audit and Corporate Governance Committee	DATE: 18 th July 2024
<p>SUMMARY OF REPORT</p> <p>This report provides the Audit and Corporate Governance Committee with a summary of anti-fraud activities undertaken during the 2023-24 year. The report covers the period 1st April 2023 to 31st March 2024.</p> <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION: No documents have been used in the preparation of this report that are required to be listed.</p> <p>Contact Officer: Nasreen Khan Head of Internal Audit, Investigations and Risk Management 5 Pancras Square London N1C 4AG Telephone: 020 7974 2211 Email: nasreen.khan@camden.gov.uk</p>	
<p>RECOMMENDATION</p> <p>The Committee is asked to note the report.</p>	

Signed: As agreed by the Executive Director Corporate Services

Date: 2nd July 2024

1. Purpose

- 1.1. This report is intended to support members of the Audit and Corporate Governance Committee in obtaining assurance that the Council has a sound framework of governance, risk management and internal control. It does this by providing information on the performance of the resources deployed on counter-fraud activity.
- 1.2. This report fulfils responsibilities under the Committee's Terms of Reference i.e.
 - To consider the assessment of fraud risks and potential harm to the Council from fraud and corruption;
 - To monitor Council policies on whistle-blowing and the anti-fraud and anti-corruption strategy;
 - To receive an annual report on the Council's usage of its powers under the Regulation of Investigatory Powers Act (RIPA).
- 1.3. The Local Government Transparency Code 2015 requires local authorities to publish details of their counter-fraud activity. This report provides an update on counter-fraud work undertaken by the Council's Anti-Fraud and Investigations Team for the 2023-24 year, covering the period 1st April 2023 to 31st March 2024.
- 1.4. The Head of Internal Audit, Investigations and Risk Management has responsibility for corporate counter-fraud related activity and reports annually to the Audit and Corporate Governance Committee on performance and outcomes of investigations conducted by the Council's Anti-Fraud and Investigations Team. This report also includes an update on the counter-fraud activity undertaken by the Council's Housing Investigations Team.

2. Corporate Investigations

- 2.1. Corporate Investigations are undertaken by the Council's Anti-Fraud and Investigations Team (AFIT), which forms part of the Internal Audit, Investigations and Risk Management service. The primary objective of AFIT is the prevention and detection of fraud, corruption and irregularity. The service structure comprises of three investigation officers within AFIT, all of whom are required to be professionally qualified to accredited counter-fraud specialist standard, or equivalent.
- 2.2. AFIT is responsible for undertaking reactive investigations (i.e. investigations arising as a result of referrals received from employees, management, the public, members, etc.). These include referrals received under the Council's whistleblowing procedure. For the period covering 1st April 2023 to 31st March 2024, 5 whistleblowing referrals were received. Details of these 5 referrals and 1 referral brought forward from 2022-2023 are provided within the private appendix to this report.
- 2.3. As reflected within Table 1 below, for the period 1st April 2023 to 31st March 2024, AFIT received a total of 102 referrals of suspected fraud, theft or irregularity, including 5 whistleblowing referrals.

2.4 Of the 102 referrals received, 85 referrals have been closed following the conclusion of investigatory work. 67 of the closed referrals were found to be substantiated and 18 were found to be unsubstantiated (in relation to the number of referrals, parking related referrals increased significantly during 2023-2024. Further details are included in the note to table 1). The remaining 17 referrals remain open and are subject to ongoing enquiries. Further analysis is provided below:

Table 1: Number of referrals substantiated per year

Period	1 st April 2023 to 31 st March 2024	1 st April 2022 to 31 st March 2023	1 st April 2021 to 31 st March 2022
Number of Referrals Received	102	55	66
Number Substantiated	*67	22**	13***

**In 2023-24, 48 referrals out of the 67 referrals substantiated between 1st April 2023 and 31st March 2024 related to Penalty Charge Notice (PCN) fraud (where drivers were found to have submitted false or misleading information in support of their appeal).*

***In 2022-23, 10 referrals out of the 22 referrals substantiated between 1st April 2022 and 31st March 2023 related to Penalty Charge Notice (PCN) fraud.*

****In 2021-22, 3 referrals out of the 13 referrals substantiated between 1st April 2021 and 31st March 2022 related to Penalty Charge Notice (PCN) fraud.*

2.5 A breakdown of the types of referrals received over the period 1st April 2023 to 31st March 2024 is provided in Table 2. A breakdown of referrals received per directorate for the same period is provided in Table 3. In both instances, figures for the year 2021-22 and 2022-23 have also been provided.

Table 2: Breakdown of referrals by type

Referral Type	1 st April 2023 to 31 st March 2024	1 st April 2022 to 31 st March 2023	1 st April 2021 to 31 st March 2022
Housing related	1	1	11
Identity / Right to work	2	1	1
Payment	12	8	16*
Theft	6	3	5
Procurement	-	-	-
School admission	1	1	9
Data breach	1	3	-
Employment	12	8	6
False document	4	-	2

Police arrest	4	2	4
Capital/Savings	1	1	-
Harassment, inappropriate behaviour and intimidation	4	7	5
Conspiracy	1	-	-
Parking related (including PCN)	52**	17	6
Contractor	1	1	1
Impropriety	-	2	-
Total	102	55	66

*8 related to Covid grants in 2021-22

** 48 of the 52 parking related referrals have been substantiated by AFIT. Of the remaining 4 referrals 2 remain open for investigation and 2 referrals have been closed as unsubstantiated.

Table 3: Breakdown of referrals by Directorate

Directorate	1 st April 2023 to 31 st March 2024	1 st April 2022 to 31 st March 2023	1 st April 2021 to 31 st March 2022
Supporting Communities	21	11	21
Adults and Health Children and Learning	11	6	16
Corporate Services	18	21	23
Corporate Services – Parking related	52*	17**	6***
Total	102	55	66

*In 2023-2024, parking referrals continued to increase due to the increase in people travelling by car.

**In 2022-2023, parking referrals increased due to the increase in people travelling by car due to the lifting of Covid restrictions.

***In 2021-22, parking referrals remained at low levels due to the reduction in people travelling by car due to Covid restrictions and advice to work from home wherever possible.

Summary of investigation outcomes for 2023-24

2.6 68 of the referrals received for the period covering 1st April 2023 to 31st March 2024 contained allegations of fraud or malpractice committed by members of the public, companies, or other organisations. Outcomes of these referrals are as follows:

- 51 referrals have been substantiated (48 related to parking);
- 10 referrals were unsubstantiated, and
- 7 referrals remain open with enquiries ongoing.

- 2.7 The remaining 34 referrals received within this period relate to allegations of fraud or malpractice by Council employees. Outcomes of these cases are as follows:
- 16 referrals have been substantiated;
 - 8 referrals were unsubstantiated, and
 - 10 referrals remain open with enquiries ongoing.

Control enhancements

- 2.8 Following the completion of investigations and where relevant, AFIT aims to improve and strengthen controls by issuing investigation reports, which detail recommendations and share lessons learned to address any control weaknesses identified during the investigation.
- 2.9 In addition, AFIT has also provided ad-hoc advice to management in relation to the design and implementation of anti-fraud measures and controls across a number of areas.

3. Blue Badge enforcement

- 3.1. The Blue Badge scheme is a national initiative to help disabled people and those with non-physical disabilities (such as people who are autistic, have a learning disability, dementia or a mental illness) to park close to their destination, either as a passenger or driver. While the badge is intended for on-street parking only, some off-street car parks, such as those provided by local authorities, hospitals or supermarkets, also offer benefits to Blue Badge holders. It is a criminal offence to misuse the Badge and misuse could lead to a fine of up to £1,000.
- 3.2. Fraudulent use of blue badges may include use of a counterfeit badge, use of a lost or stolen badge, or use of a badge belonging to a deceased person. Misuse of genuine badges may also arise from use of a badge when the holder is not present.
- 3.3. The benefits of undertaking enforcement action against fraudulent use of blue badges include:
- More space for genuine badge holders,
 - Better management of the kerbside,
 - As people are discouraged from using prime locations as long-stay parking, this means a greater turnover of visitors to high streets, and
 - Improved traffic management and better air quality.
- 3.4. AFIT conduct blue badge patrols on a regular basis in order to combat and detect blue badge fraud. This involves officers from AFIT conducting patrols alongside Civil Enforcement Officers (CEOs). Additionally, AFIT has further established a joint-working protocol with Parking Services to combat blue badge misuse. As part of this arrangement, Parking Services deploy CEOs to perform blue badge patrols and relay information to AFIT to conduct real-time checks

on the national blue badge database to establish any misuse or fraudulent use of blue badges being displayed within Camden. In addition to the scheduled blue badge patrols, AFIT and Parking Services also undertake ad-hoc reactive work to investigate referrals of suspected misuse that are received via other sources, including referrals from members of the public. In these instances, and where proportionate to do so, AFIT and Parking Services arrange for ‘targeted’ patrols to be undertaken in response to the information/intelligence received from referrals.

- 3.5. The statistics recorded in the table below detail the outcome of enforcement activity for the period 1st April 2023 to 31st March 2024. In addition to patrols, investigations were also undertaken in relation to specific referrals received and as a result of better joint-working with Parking Services.

Table 5: Outcomes of street patrols

Activity	1 st April 2023 to 31 st March 2024	1 st April 2022 to 31 st March 2023	1 st April 2021 to 31 st March 2022
Street patrols	15	12	12
Vehicles inspected (approximate)	1,500	1,200	1,200
Referrals/allegation of misuse	74	80	58
Cases of misuse established	67	54	33
Penalty Charge Notices (PCNs) issued for misuse	61	54	23
Removals	16	13	8
Confiscations	22	7	8
Interviews	16*	9	13
Warnings	2	6	0
Cases referred to Legal Services	1**	6	1
Successful prosecutions	1***	5	1
Prosecutions awaiting court date	0	1	0

*The number of individuals invited to attend an interview was 48. However, 32 individuals did not attend. These cases were considered individually based on the evidence held and were only referred to the Council’s legal service if considered appropriate for prosecution.

**One case was referred to the Council’s legal service (the case progressed to court however the defendant asked the judge if they could pay all the Council’s costs and compensation in order not to proceed. As they were of previous good character this was agreed and the case did not progress to prosecution). Further cases, in relation to patrols up to 31/03/24, are currently under investigation and may be referred to the Council’s legal service if considered appropriate for prosecution

*** The successful prosecution relates to the prosecution awaiting court date as at 2022/23.

Table 6: Comparator data – Blue Badge prosecutions:

Activity	1 st April 2023 to 31 st March 2024	1 st April 2022 to 31 st March 2023	1 st April 2021 to 31 st March 2022	1 st April 2020 to 31 st March 2021
Cases referred to Legal Services	0	6	1	2
Successful prosecutions	1	5	1	0

- 3.6. AFIT can receive referrals of suspected blue badge fraud from the public using the contact details in the [‘How do I report fraud’](#) page on the Council’s website. Referrals can also be received from other services, for example, Parking Services. For each referral received, AFIT made enquiries to determine whether sufficient information was provided, or available via other sources, to conduct an investigation and potentially proceed to a prosecution/other action being taken.
- 3.7. In addition to blue badge fraud, AFIT has also worked with officers within Parking Services to investigate cases of potential Penalty Charge Notice (PCN) fraud, where drivers submit false or misleading documentation in support of their PCN appeal.
- 3.8. On 26th May 2023, AFIT participated in a London-wide “*Blue Badge Day of Action*”. The day of action was organised by the London Borough of Lambeth and facilitated by London Councils. The day of action involved all London boroughs, and some local authorities across the country, having officers out on the streets conducting patrols in their respective areas to identify as many Blue Badge infringements as possible. The next day of action is scheduled for 24th May 2024.

4. Housing Investigations

- 4.1. A report published by the Fraud Advisory Panel and Tenancy Fraud Forum (TFF) last year¹ estimated that occupants of around one in twenty social housing homes are linked to some form of tenancy fraud.
- 4.2. The Housing Investigations team (HIT) in the Council’s Supporting Communities directorate work with other housing teams to make sure that those who live in council homes, or who apply to buy them, are entitled to. The team also investigates tenancy fraud and related tenancy condition breaches, including illegal subletting, non-occupation, undeclared ownership of other properties, fraudulent right to buy applications, fraudulent succession applications and false housing applications. HIT also provide support to local Housing Associations with these areas.
- 4.3. All HIT officers have a professional certificate in investigation skills or the equivalent. Officers focus either on the north or south of the borough linking with neighbourhood housing teams for strong collaborative working and intelligence

¹ Lost Homes, Lost Hope April 2023

sharing. The team consists of four investigation officers and a team manager who also carries a (smaller) case load.

- 4.4. The table below provides data from 1 April 2023 to 31 March 2024. It also includes figures for the previous two years:

Table 7: Housing Investigations Team cases

	2023-2024	2022-2023	2021-2022
Total properties recovered:	62	57	57
Ineligible succession or assignment applications	33	21	31
Ineligible right to buy requests	10	16	7
Sub-letting	7	3	3
Other unauthorised occupancy (keys passed on)	5	7	3
Non- occupation and abandonment	7	10	13
Unlawful profit recovered / compensation payments	-	£15,071.71	-

- 4.5. Other cases are with the Council's lawyers or awaiting a court hearing date or appointment with the court bailiffs. It can take many months for the courts to arrange an eviction date after a Possession Order has been granted and, when an unauthorised occupant is not making payments for their use and occupation, these delays can result in a significant loss of rental income. There remains a significant backlog in the court system.
- 4.6. Whilst there have been different methods of measuring the cost of tenancy fraud, the TFF have recommended that social housing providers base their calculations on a national average of £42,000 per home. Other calculations have used the significantly higher rebuild value of a social housing home. Applying the TFF figure to the 55 homes recovered in Camden last year:

62 homes recovered in 2022 x £42,000 = £2.604 million

- 4.7. The actual figure in a high demand and high cost area like Camden will be significantly higher, especially taking into account the scarcity and cost of temporary accommodation. In addition, the TFF figure does not reflect that detected unauthorised occupiers are significantly less likely to make payments for their use and occupation than tenants are to pay their rent.
- 4.8. In 2011 the Audit Commission said “Tackling housing tenancy fraud is one of the most cost-effective means of making social housing properties available to match the demand from those in genuine need”.²The work that HIT and other housing teams do to prevent, identify, and address housing fraud is critical given the scarcity of social housing. It helps to deliver the We Make Camden Ambition that everyone in Camden should have a place they call home. It helps ensure that council homes are not lost from the stock and are available to let to people in housing need. When residents see tenancy fraud being tackled it increases public confidence in the Council as well as acting as a deterrent.
- 4.9. The Regulator of Social Housing has set out an expectation in the updated “Tenancy Standard”³ in the regulatory framework for social housing in England that “Registered providers must take action to prevent and tackle tenancy fraud”.
- 4.10. As well as making sure that applicants are eligible to succeed to a tenancy or to buy a council home, HIT is also an expert resource providing support with complex tenancy management issues. Joint tenants succeed to a tenancy automatically when a joint tenant dies and when a sole tenant asks to enter into a joint tenancy with someone else HIT carry out checks to make sure that the proposed joint tenant is eligible. They provide similar support when a tenant asks to assign their tenancy to another household member. As well as protecting the Council’s assets these checks can also identify potential safeguarding concerns helping to protect vulnerable tenants from exploitation.
- 4.11. HIT also highlight when a successor is living in a home that has more bedrooms than they need. This helps to ensure that successors in this situation are encouraged to downsize to free up larger homes for families when this is appropriate. It also identifies when successors may benefit from money advice as the bedroom tax will affect them further down the line if they are below state pension age and receive Universal Credit or Housing Benefit towards their housing costs.

At least eighteen successors downsized in 2023-4 freeing up homes for families.

- 4.12. Whilst HIT are focussed on recovering council homes when the occupants are not entitled to a council tenancy, the team remain mindful that many unauthorised occupants may not have known they were living in a council home or may not have realised there was anything wrong with moving back into the home they grew up in as a child after a parent died. Part of the team’s work includes linking

² [\[ARCHIVED CONTENT\] \(nationalarchives.gov.uk\)](#) Para 21, page 10

³ [Tenancy Standard - GOV.UK \(www.gov.uk\)](#) Para 2.1.4 accessed 15 May 2024

⁴ [Report an unlawful occupancy - Camden Council](#)

occupiers to help and advice about their housing options, especially if they are at risk of homelessness. When occupants engage with this support it can help to resolve an issue of unauthorised occupancy much more quickly than the legal enforcement route, and at significantly reduced cost.

4.13. HIT can be contacted via an on-line form on the Council's website⁴ or at TenancyFraud@camden.gov.uk.

5. Whistleblowing

- 5.1 The Council has facilities available for all staff and members to report concerns confidentially.
 - 5.2 Prior to 2023-24, the Council's Anti-Fraud and Corruption Strategy contained the provisions for whistleblowing. From 2023-24, a separate whistleblowing policy was in place as outlined in section 9 below.
 - 5.3 AFIT has published information for employees on the Council's intranet explaining how they can report suspicions of fraud or impropriety.
 - 5.4 If any employee of the Council knows of or suspects any irregularities concerning staff, cash, assets or any other financial mismanagement or impropriety then they must inform the Head of Internal Audit, Investigations and Risk Management. Employees can also contact investigation officers from AFIT directly. Employees could also consider first reporting their suspicions to their line manager; however if this is not appropriate then they should inform AFIT. A ['How do I report fraud'](#) page is also available via the Council's website.
 - 5.5 Where appropriate, the Council also signposts whistleblowers to the organisation Protect (previously known as Public Concern at Work), who provide a free whistleblowing advice service. Details of this organisation can be found here – <https://protect-advice.org.uk/>
 - 5.6 In line with AFIT's protocol, AFIT will undertake an assessment on receipt of a whistleblowing report, irrespective of whether the report was received anonymously or from an identified individual. If the referral meets the criteria for whistleblowing, an investigative pathway is agreed. If the allegation related to matters in relation to fraud, misappropriation, or wrong-doing, AFIT would initiate and lead the investigation. However, if the allegation related to matters outside the remit of AFIT, for example employee conduct issues, then it is likely that the report would be disseminated to the relevant area e.g. HR for further action.
 - 5.7 A national whistleblowing helpline overseen by the National Society for the Prevention of Cruelty to Children (NSPCC) is available for employees wishing to raise concerns about a child at risk of abuse.
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5.8 Between 1st April 2023 and 31st March 2024, the Council received five referrals that met the criteria for whistleblowing. Details are included in Appendix A (private appendix).

6. Regulation of Investigatory Powers Act 2000 (RIPA)

6.1 While the Council has not requested access to communications data for the period 1st April 2023 to 31st March 2024, an update is provided on policy and process in this area. In the period since the last RIPA inspection in December 2022, the Council has not exercised its RIPA powers in respect of directed surveillance or Covert Human Intelligence Source (CHIS). There has been only one authorisation (relating to a Trading Standards investigation) since August 2013. However, the Council remains compliant should the situation arise where authorisations would be required. In terms of background, the [Regulation of Investigatory Powers Act 2000 \(RIPA\)](#) ('the Act') clarified and introduced regulations to update on the use of covert surveillance and the interception of communications by law enforcement and security agencies. It was intended to ensure that these investigation powers were used in accordance with the [Human Rights Act 1998 \(HRA\)](#) and to take account of technological advances. Over time, many of the provisions under the Act have been replaced by relevant provisions of the Investigatory Powers Act 2016 (the '2016 Act').

6.2 The purpose of RIPA is to:

- Provide a statutory, European Court of Human Rights (ECHR) compliant framework for the use of intrusive investigative techniques;
- Update previous legislation in the light of technological and legal developments; and
- Regulate and control the use of intrusive techniques by public authorities, introducing national standards.

6.3 Under Part II of the Act, local authorities have powers to conduct 'directed covert surveillance', subject to judicial order approving such activity. We cannot conduct 'intrusive surveillance' i.e. within a private residence.

RIPA policy and relevant officers

6.4 The Council has a policy for RIPA to specifically provide guidance to any officer who wishes to gather intelligence for their investigation by the use of covert surveillance or from communications data. Failure to follow this policy could have consequences for the Council. As a general rule, the use of RIPA should only be the last resort where the information being sought for an investigation cannot be obtained by any other means.

6.5 Camden manages its use of surveillance through a central system which is overseen by the Head of Internal Audit, Investigations and Risk Management, who has the designation of Senior Responsible Officer (SRO) for RIPA purposes and is responsible for maintaining the Council's corporate system regarding RIPA authorisations.

6.6 The Council adopted the use of a trained RIPA Co-ordinating Officer to ensure the efficient processing of applications. This ensures that there is a standardised approach to the use of the powers as well as providing monitoring of the

application forms. Named Authorising Officers have been designated throughout the authority and are responsible for authorising surveillance activity.

- 6.7 As part of the statutory requirements of the RIPA, all Authorising Officers and investigators must be trained before any application for activities under this Act can be submitted or authorised. Additionally, in order to ensure their knowledge of RIPA is current, regular refresher training (at least triennially) must be completed. Officers from investigation and enforcement teams across the Council, including Authorising Officers, undertook RIPA refresher training in April 2023, and was well attended. The training was delivered by Act Now Ltd who are a training and consultancy firm specialising in Data Protection, Freedom of Information and Cyber Security.

RIPA and the National Anti-Fraud Network (NAFN)

- 6.8 All local authorities who wish to access communications data under the 2016 Act are required to become members of National Anti-Fraud Network (NAFN) and use their shared SPoC services. This Act governs applications for communications data; it is the legal gateway for local authorities to obtain such information. The Council has not requested access to communications data for the period 1st April 2023 to 31st March 2024.
- 6.9 NAFN is a not-for-profit public sector organisation. It is managed by and for the benefit of its members, delivering services which enable effective financial governance and efficient acquisition of data, as well as acting as the hub for intelligence alerts and providing best practice examples of process, forms and procedures. NAFN is also recognised by key government departments and agencies as the preferred single point of contact for specialist data enquiries. This enables them to establish secure, central links to information providers and deliver a faster service.

External inspection and monitoring of RIPA use

- 6.10 Part II RIPA inspections are conducted by the Investigatory Powers Commissioner's Office (IPCO). The primary objectives of IPCO inspections are to:
- Ensure that the system in place for acquiring communications data is sufficient for the purposes of the Act and that all relevant records have been kept,
 - Ensure that all acquisition of communications data has been carried out lawfully and in accordance with the Human Rights Act, Part I Chapter II of RIPA and the associated Code of Practice,
 - Provide independent oversight to the process and check that the data which has been obtained is necessary and proportionate to the conduct being authorised,
 - Examine what use has been made of the communications data acquired (results obtained) to ascertain whether the data has been used to good effect,
 - Ensure that errors are being 'reported' or 'recorded' and that the systems are reviewed and adapted in the light of any exposed weaknesses or faults,
 - Identify good and bad practice and disseminate our findings to the communications data community, and

- Ensure that persons engaged in the acquisition of data are adequately trained and are aware of the relevant parts of the legislation.
- 6.11 The Council was subject to an inspection by the IPCO on 2nd December 2022 in line with the scope outlined at section 6.10 above.
- 6.12 The findings from this inspection were reported to the Chief Executive on 12th December 2022. Outcomes from inspection were exceedingly positive. The IPCO inspection report stated that the inspector was impressed by the knowledge of the SRO and Co-ordinating Officer, in particular their understanding of the practical application of RIPA during investigations. The next inspection is envisaged to take place in December 2025.
- 6.13 One recommendation was made as a result of the inspection:
- To update some of the paragraphs in the RIPA policy to enhance its robustness and to reflect new Authorising Officers. The policy has been updated to implement the recommendation.
- 6.14 Further to the Home Office's revocation of the local authority's Single Point of Contact (SPoC) accreditation so that all applications for communications data are submitted to NAFN, inspections under Part I Chapter II of RIPA by the IPCO are now carried out at NAFN's offices and the Council will only be contacted if an application has been made during the relevant period. The reason for this contact would usually be for clarification to queries raised by the inspector on an application.
- 6.15 The Council submits statistics of all surveillance activity to the IPCO annually and for the period 1st January 2022 to 31st December 2023 no covert surveillance were conducted or applications for communications data made by the Council. The IPCO was advised of this on 4th January 2024. All activities under RIPA are reported to the Audit and Corporate Governance Committee annually.

7. Proactive work plan, fraud awareness and principal risk

- 7.1 The Council takes a zero tolerance approach to fraud and serious fraudulent activity has been included as a principal risk in the Council's Principal Risk Report. A number of controls and actions are identified within the Principal Risk Report to demonstrate how this risk is being mitigated. Some of the controls and actions being taken include:
- Fraud risks feed into the annual audit and investigations plan. Delivery of the plan ensures that recommendations are made to address control weaknesses;
 - A mandatory anti-fraud training module is in place;
 - The Council participates in the National Fraud Initiative exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.
- 7.2 Along with reactive investigations, AFIT also delivers a proactive work plan designed to prevent and detect fraud. Services continued to seek proactive anti-fraud input in 2023-24, with proactive anti-fraud input sought in a number of areas including housing and finance. AFIT also undertake proactive anti-fraud

reviews in areas considered to be of higher risk of fraud. The objective of these reviews are to seek to identify if any fraudulent activity has occurred.

- 7.3 AFIT's proactive suite of work also includes fraud awareness training. All staff are required to complete online learning on fraud awareness, which forms part of the Council's suite of mandatory learning modules. The fraud awareness module was updated in 2022-2023, as part of the wider corporate mandatory learning package refresh, and all officers were required to complete the training. The next refresh of the module is due in 2024-25. Regular compliance reports are produced and reviewed by HR and senior management, which summarises the data and statistics detailing the number of staff who have completed the mandatory training modules. The completion of all mandatory learning modules is also linked to officers' annual performance reviews). From 1st April 2023 to 31st March 2024, 979 employees have completed the fraud awareness module.

8 Proactive anti-fraud initiatives – utilising data

- 8.1 Camden is committed to continuously improving, enhancing and developing practices and techniques for the prevention and detection of fraud and corruption. As part of this commitment, the team utilises data analytics tools, where available, to enhance its proactive approach to anti-fraud work. AFIT also continues to explore new initiatives to use data in a way that enables a smarter approach to identifying fraud.

National Fraud Initiative (NFI)

- 8.2 The National Fraud Initiative (NFI) is a biennial exercise ran by the Cabinet Office, which matches electronic data within and between public and private sector bodies to prevent and detect fraud, including police authorities, local probation boards, fire and rescue authorities, as well as local councils and a number of private sector bodies.
- 8.3 At the beginning of each exercise, Camden is required to upload a number of datasets onto the NFI's secure application, including Housing Benefits; Payroll; Pensions; Housing tenancy; Housing waiting lists; Right-to-Buy; Blue Badges; Council Tax; and Resident Parking Permits. A number of external datasets are also provided by third parties, including HMRC, Companies House; and the DWP.
- 8.4 The latest NFI data matching exercise commenced in February 2023 and produced 7,737 matches for Camden (source: NFI web portal for Camden). Whilst there are a high number of matches, local authorities are not required to review all matches, and the decision whether to undertake a full investigation into each match is at the discretion of the local authority. To this end, matches are assigned with either a high, medium or low priority rating, and the Cabinet Office recommends that the high priority matches are reviewed first, and all outcomes are recorded on the NFI's secure web application. Overall, Camden has historically found that, whilst a large number of initial matches are generated by the NFI exercise, the quality of these matches is generally low. However, investigation activity as a result of these matches are currently underway.

- 8.5 Matches are returned in 14 separate categories, including Blue Badge, Council Tax, Housing Benefit, Payroll, Housing Tenants, Housing Waiting List, Right to Buy, Creditors, and for this exercise, Covid Grant Recipients.
- 8.6 Matches are allocated to and investigated by a number of teams across the Council, including AFIT, the Housing Investigations Team and Council Tax and Business Rates teams.
- 8.7 The Cabinet Office publishes a report at the end of each exercise summarising what local authorities have saved cumulatively as a result of the NFI exercise. The last exercise (from 2020 to 2022) enabled participating organisations to prevent and detect £416.8 million fraud and error in the period 5th April 2020 to 31st March 2022; the report, published in December 2022, can be accessed [here](#).

Enhanced Hub

- 8.8 In December 2023, the Council signed up to the NFI's Enhanced Hub for a two year period. The Enhanced Hub is a new user-based system where data uploads can be made more frequently than the biennial NFI exercise and is anticipated that it will provide a greater opportunity to detect fraud and/or error. The datasets matched will be similar to those in the biennial exercise.
- 8.9 AFIT has set up a working group consisting of officers from relevant services across the Council to discuss how the Enhanced Hub will be used and to utilise it effectively.

London multiple working pilot

- 8.10 In November 2023, the Council signed up to the NFI's London multiple working pilot exercise. This pilot involves the matching of datasets from certain recruitment agencies and managed service provider partners with the local authority's payroll. Currently, circa 26 out of the 33 London councils are participating in this exercise.
- 8.11 The objective of this exercise is to identify employees and agency staff working for more than one organisation at the same time and failing to declare multiple working.

9 Policies and procedures

- 9.1 In line with good practice, AFIT seeks to review its policies and procedures at regular intervals. Updated policies and procedures were presented to the Committee in June 2023 and were operational in 2023-24 as follows:
- i. Anti-Fraud and Corruption Strategy;
 - ii. Anti-Bribery Policy;
 - iii. Money Laundering and the Proceeds of Crime Policy;
 - iv. Corporate Prosecutions, Sanctions and Redress Policy;
 - v. RIPA Corporate Authorisation Policy;
 - vi. Social Media for Investigations Policy;

vii. Whistleblowing Policy and Procedure.

10 Legal Comments of Borough Solicitor

10.1 The Borough Solicitor has been consulted and has no comments.

11 Finance Comments of the Executive Director Corporate Services

11.1 The Executive Director Corporate Services has been consulted and comments are incorporated within the body of the report.

12 Environmental implications

There are no known environmental implications arising from this report.

13 Appendices

Appendix A: Whistleblowing update (private appendix)

REPORT ENDS