

Appendix 3 – Corporate Anti-Fraud Team 2017-18 Year End Plan Report

	Fraud work stream	Target	2017-18 Year End outcomes
<p>Objective: Acknowledge fraud and corruption risks, reaffirm the responsibility of the leadership team in managing these risks and assess the risk of fraud and corruption across all parts of the organisation.</p>			
1	<p>Corporate fraud risk assessment</p> <p>Identify and assess Harrow's fraud risk exposure affecting the principle activities in order to fully understand changing patterns in fraud and corruption threats and the potential harmful consequences to the authority and our customers</p>	Q1	<p>Objective met</p> <p>The draft fraud plan for 17/18 was developed drawing on fraud risk information from reports such as Protecting the English Purse 2016 and the Annual Fraud Indicator 2016, the sharing of fraud information through partnerships well established in counter fraud networks and known fraud instances impacting the authority during 2016-17.</p> <p>The draft fraud plan was also shared with Corporate Directors and their Department Management Teams seeking feedback on the proposed plan before being approved by the committee.</p> <p>Nevertheless, given the ever changing fraud landscape the findings from the establishment of the fraud risk register will further support the on going risk assessment process to ensure that the organisation is fully aware of emerging significant fraud risks, is able to mitigate them and further protect itself with the implementation of additional fraud risk controls.</p>
2	<p>Corporate fraud risk register</p> <p>Develop a fraud risk register where significant fraud and corruption risks will be owned and maintained by the directorates</p>	Q2	<p>Objective partially met</p> <p>8 fraud risk workshops were delivered by the team across all of the directorates during 17/18 involving almost 100 staff from mainly middle manager level.</p> <p>The workshops focused on the following:</p> <ul style="list-style-type: none"> • Identification of the main fraud risks affecting each directorate • Assessing the inherent fraud risks (risk rating) • Capturing the controls to mitigate these risks • Reassessing the residual fraud risks • Identifying further actions to increase fraud risks resilience <p>The findings from the workshops are currently in a draft Corporate & Directorate Fraud Risk Register and further consultation will now take place with management teams to agree risk rating, controls, further actions and risk ownership. See Appendix 5 for high level details of the</p>

			fraud risks captured.
3	<p>Corporate Anti-Fraud & Corruption Strategy</p> <p>Review the Corporate Anti Fraud & Corruption Strategy 2016-19 that links to Harrow's corporate priorities, the overall goal of improving resilience to fraud and corruption and fully reflecting the fraud and corruption risks faced by the authority</p>	Q4	<p>Objective met</p> <p>The strategy was reviewed and no changes have been made. A review of progress against the actions contained within the strategy can viewed at Appendix 6</p>
<p>Objective: Prevent, detect and deter fraud and corruption impacting the organisation by raising awareness of fraud and corruption</p>			
4	<p>National Fraud Initiative co-ordination role</p> <ul style="list-style-type: none"> • Co-ordination of the 2016/17 National Fraud Initiative (NFI) match processing including:- • Providing supporting and guidance to service areas processing matches • Providing guidance on whether a match is fraud or error. • Picking up any matches referred as fraud and investigating them to satisfactory outcome including corrective action 	Q1-4	<p>Objective met</p> <p>The team acts in both a support role to service areas that are tasked with processing matches and picking up fraud referrals that are generated as a result of this work. In all areas, where there are matches that have not yet commenced or complete, the team is supporting the service area to prioritise the work on a risk basis and complete as soon as is practicably possible.</p> <p>A summary of service activity is as follows:-</p> <ul style="list-style-type: none"> • Blue badges – 487 total matches, 435 recommended matches. The CAFT assisted in producing letters for Concessionary Travel to send to all next of kin of those deceased badgeholders. All letters have been issued and the team is now awaiting responses and/or returned badges. • Creditors – 3909 total matches, 509 recommended matches. A 10% sample has been undertaken of the 509 matches identifying £10,420.33 of duplicate payments. Work complete. • CTRS – 2510 total matches, 111 recommended matches, 47 recommended matches complete identifying £7,045.69 in overpayments. Work ongoing. • Housing tenants – 119 total matches, 37 recommended matches, 88 processed. Work complete, no fraud identified. • Housing benefit – 3067 total matches, 162 recommended matches, 32 processed identifying £30,321.84 in overpayments. Work ongoing.

- | | | |
|--|--|---|
| | | <ul style="list-style-type: none"> • Insurance claims – 102 total matches, 5 recommended, 4 processed. Work complete, no fraud identified. • Personal budgets – 86 total matches, 12 recommended matches, 12 processed. Work complete, no fraud identified. • Procurement – 118 total matches, 91 recommended matches, 14 processed (15% sample check). Work complete, no fraud identified. • Pensions – 181 total matches, 92 recommended matches, 92 matches processed with overpayments identified amounting to £1863.91 (pension to a deceased individual). Work complete. • Payroll – 142 total matches, 63 recommended matches, 18 processed to date. Work on complete, no fraud identified. • RTB – 13 total matches, 0 recommended matches, 13 processed (due to high fraud risk). Work complete, no fraud identified. • Private Residential Care Homes – 19 total matches, 10 recommended matches, 19 processed, 1 cases resulting in a savings of £701.67. Work complete. • Residents parking permits – 5 total matches, 1 recommended, 1 processed resulting in a £70 saving. Work complete. • Waiting list – 2042 total matches, 1947 recommended, 83 processed resulting in savings of £156,000. Work complete. |
|--|--|---|

Overall fraud savings attributed to this work stream is £206,353.44

5	<p>Corporate fraud awareness</p> <p>Raise awareness of fraud and corruption risks both within the authority and in the community through the publication of fraud successes in local and national media, including the use of all forms of social media including the following actions:-</p> <ul style="list-style-type: none"> • Rolling out fraud E-learning to new employees • Elected Member fraud awareness training • Raising fraud awareness in schools in conjunction with Internal Audit's annual programme of planned works • Chief Executive Newsletter articles on fraud and corruption • CAFT Hub/web pages refresh 		<p>Objective partially met</p> <p>Q1 E-learning – not met Implementation has been held up due to IT issues and ensuring the package was compatible with Harrow's learning platform. Whilst the package is now live and running on the platform, there are reporting issues in that the system is not recording those that have carried out the training nor issuing certificates to those passing the course. The error is currently under investigation by the supplier and Harrow's learning and development team and once a solution is found a campaign will be launched to ensure that staff are signposted to it and encouraged to take it.</p> <p>Q2 Elected member training – not met A fraud awareness session was delivered to the Labour Group in July 2017 as the original date was rescheduled due to the election being called. A date to deliver the session to the Conservative Group is currently being sought for 18/19 as is a date for a refresh for the Labour Group.</p> <p>Q1-4 Schools fraud awareness – met A programme of fraud risk awareness session was delivered to 8 of Harrow's schools jointly with Internal Audit. The sessions were well received and fraud awareness levels have been improved. Further workshops are planned for 18/19.</p> <p>Q1-4 Chief Executive Newsletter – met An article featured in the newsletter in September 2017 detailing a successful prosecution that the team undertook against an individual that defrauded the help2let scheme. A further article featured in December 2017 regarding a former temporary member of staff successfully prosecuted for fraud linked to Council Tax payments diverted to a personal account.</p> <p>Q3 Web refresh – met The CAFT web pages were refreshed in Q2 to reflect current fraud trends and</p>
---	---	--	---

	<ul style="list-style-type: none"> • Issuing management reports detailing investigation outcomes and recommendations for improving fraud risk controls are implemented if agreed according to risk • Fraud workshops/CAFT attendance at team meetings for high fraud risk areas • Publicity through all forms of media on successful fraud cases, fraud initiatives and related prosecution outcomes 	<p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p>	<p>outputs from the team</p> <p>Management reports issued – met 31 fraud risk recommendations were issued to service areas following the outcome of fraud investigations in year. A recommendations tracker is being developed for 18/19 so that this information can be reported in detail to Committee during 18/19</p> <p>Fraud workshops – met Three fraud awareness workshops have been delivered to teams in Adults and Children’s Services. These workshops have taken place in addition to the workshops run in the development of the fraud risk register, in relation to housing and those delivered to schools.</p> <p>General Publicity – met An article on tenancy fraud featured in Homing In magazine in April 2017 about a tenant that was found to be residing in the US. She had tried to purchase her home through the RTB. This was intercepted and her tenancy recovered.</p> <p>A housing fraud pull up banner was placed in Access Harrow Reception between May – July 2017 and then again between January – March 2018 encouraging members of the public to report tenancy fraud.</p> <p>An individual that defrauded the Council’s help2let scheme and then vanished when the fraud was identified featured in The Harrow Times and other local publications. He was successfully prosecuted when arrested at the border re-entering the UK.</p>
6	<p>Fraud liaison</p> <p>Develop and maintain effective liaison with investigation teams in other boroughs and external agencies and ensure that membership and interest continues in the London Borough of Fraud Investigators Group (LBFIG), The National Anti-Fraud Network (NAFN), the European Institute for Combatting Corruption & Fraud (TEICCAF), The Chartered Institute of Public Finance and Accountancy (CIPFA)</p>	<p>Q1-4</p>	<p>Objective met</p> <p>The authority has retained its membership of the National Anti Fraud Network (NAFN) for its essential role in intelligence gathering and the London Borough of Fraud Investigators Group (LBFIG). NAFN is an essential conduit for accessing 3rd party information sources which is vital for supporting investigation work.</p> <p>Officers in the team have also attended a number of Counter Fraud Conferences during the year which is important to keep abreast of current fraud trends and emerging fraud risks.</p> <p>Established partnerships with the UK Border Force, HMRC, the Home Office, the</p>

	and the London Fraud Hub		<p>Metropolitan Police and other enforcement agencies have proven beneficial to current investigation work.</p> <p>The team played an integral role in the creation and implementation of a pilot between the No Recourse to Public Funds Team (Children's Services) and the Home Office Immigration Enforcement Directorate with a part time Immigration Officer being embedded within Children's Services to support front line services in establishing customer's immigration status. The partnership commenced in July 2017 and has already generated savings in terms of the authority avoiding losses attributed to incorrect customer immigration status. The pilot has been extended to run in 18/19. (Refer to objective 10 also)</p>
7	<p>Internal datamatching</p> <p>Explore the use of the iDIS data matching tool linked to the CAFT fraud case management system which has capability for matching large extracts of data against each other for the purposes of preventing and detecting fraud, corruption and error.</p>	Q2	<p>Objective met</p> <p>The team have explored utilising this tool by visiting other sites where the software has been used successfully and generated income/savings. There is potential for utilising this with positive outcomes for the authority.</p> <p>A decision was made in Q3 that it did not have sufficient capacity to run a fraud campaign using the data matching tool and it will be explored again in 18/19</p>

Objective: Ensure the investigation of allegations of fraud and corruption are effective, criminal conduct is punished with appropriate sanctions, established losses are pursued robustly and fraud loss avoidance is measured effectively where possible		
8	<p>Housing fraud</p> <p>Assess and investigate allegations of fraud and abuse in the housing system working in partnership with Housing Resident Services, Housing Needs and Harrow's RSL's including:</p> <ul style="list-style-type: none"> Seek to recover 15 social housing units subject to fraud & misuse (KPI1) Prevent housing application fraud through targeted application validation with a fraud check on 90% applications referred to the CAFT and set live on the waiting list (KPI2) 	<p>Objective partially met</p> <p>Q1-4 Tenancy – not met Working in partnership with Housing Resident Services and Registered Social Landlords, 13 social housing tenancies were recovered resulting in notional fraud savings to the authority amounting to £1,2 million.¹ The total included 1 property that was owned and managed by a Registered Social Landlord where the authority subsequently received the nomination rights from the authorities waiting list. In addition to this, in 1 possession case the authority was awarded £425.50 court costs. KPI1 target 15, achieved 13 (87%). The team received 71 housing tenancy fraud referrals in year.</p> <p>Q1-4 Housing Applications – met Working in partnership with Housing Needs, 5 applications for housing were intercepted following fraud validation checks. This has resulted in fraud loss avoidance savings of £189,000.² The CAFT fraud validated each application that before being set live on the Council's waiting list.</p> <p>In addition to this, a further 42 NFI data matching cases were removed off the Councils' waiting list where individuals had deceased (of which 4 were banded as A priority). This housekeeping work has resulted in notional savings of £156,000³. (Sub- total of £156,000 already accounted for in NFI section 4.)</p> <p>A total of 21 housing application referrals were received in year and 20 underwent fraud validation checks before offers were made. KPI2 target 90%, achieved 95% (20/21 cases validated with a fraud check).</p>

¹ The notional value of tenancy recovery now estimated to have increased from £75,000 to £93,000 per unit according to the [Cabinet Office National Fraud Initiative Report 2016](#)

² Savings based on the likely sized properties the applicants would have been entitled to had they been successfully housed

³ NFI waiting list removal cases where 4 individuals were band A priority and bidding at the time of death (£72,000 saving) and 42 other individuals removed following housekeeping (£76,000 loss avoidance admin savings).

<ul style="list-style-type: none"> • Prevent fraudulent Right to Buy (RTB) applications through targeted application validation with a fraud check on 90% applications referred to the CAFT at offer stage (KPI3) • Prevent mutual exchange, succession and assignment fraud through targeted application validation and working with the service area • Prevent abuse of the housing incentivisation scheme through targeted application validation and working with the service area • Maintain and develop membership of the London housing fraud hub and explore other datamatching opportunities • Work with Housing and Communications to run a housing fraud centric publicity campaign to raise awareness internally and 	<p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q1-4</p> <p>Q2-3</p>	<p>RTB applications – met Working in partnerships with Leasehold Services, HB Public Law Services and Housing Residents Services, 12 RTB applications were intercepted saving the authority £1.25 million in terms of purchase discounts losses prevented.⁴</p> <p>These are generally due to applicants failing anti money laundering checks (proving the source of purchase funds) or following CAFT consultation with the lenders through a National Hunter check and the mortgage offer being withdrawn.</p> <p>The team received 38 RTB referrals in year and all 38 were fraud checked at section 125 offer stage before a determination made.</p> <p>KPI3 target 90%, achieved 100%</p> <p>Mutual exchange/succession/assignment – no referrals received There have been no referrals to the team made in this area</p> <p>Housing incentivisation scheme – met 2 'grant to move' incentive applications were rejected linked to tenancy fraud and a fraudulent RTB application. Loss avoidance amount £53,000.</p> <p>2 help2let incentive grant applications rejected. Loss avoidance amount £11,600</p> <p>Housing Fraud Hub – met The authority continued its membership of the hub during 17/18, but gave notice to terminate membership for 18/19. The CAFT did not feel that the authority was gaining sufficient return on investment. The authority did not recover a single social housing tenancy during its membership of the hub.</p> <p>Housing fraud centric publicity campaign – met An article on tenancy fraud featured in Homing In magazine in April 2017 about a tenant that was found to be residing in the US. She had tried to purchase her home through the RTB. This was intercepted and her tenancy recovered.</p>
---	--	--

⁴ Maximum RTB discount is £104,900 off the property purchase price during 17/18.

	<p>the community including a key amnesty</p> <ul style="list-style-type: none"> Maximise the use of powers contained within the Prevention of Social Housing Fraud Act 2013 (PoSHFA) in terms of gathering evidence, investigation and prosecution of offenders and recovery of unlawful profit 	<p>Q1-4</p>	<p>Fraud flyers raising awareness were included in Council tenants rental statements issued in March – April 2017</p> <p>A housing fraud pull up banner was placed in Access Harrow Reception between May – July 2017 and between January – March 2018 encouraging members of the public to report tenancy fraud.</p> <p>An individual that defrauded the Council’s help2let scheme and then vanished when the fraud was identified featured as an article in The Harrow Times and Harrow People Winter 2017. He was successfully prosecuted when arrested at the border re-entering the UK.</p> <p>CAFT attended the Harrow Federation of Tenants and Residents Association (HFTRA) meeting on 21/11/17 to present about housing fraud work, ran a fraud risk workshop at the Housing Ambition Plan (HAP) event on 30/01/17 and on 20/02/18 ran a fraud stall at a Housing Matters event to raise awareness.</p> <p>PoSHFA 2013 Powers – met The authority has utilised powers contained within the above act through requests to the National Anti Fraud Network (NAFN) on 22 occasions this year.</p> <p>If approved by NAFN, this enables the authority to access personal financial data on the tenant held by the financial sector on cases where it appears they have sublet the property and not residing at the tenancy as their principle home.</p> <p>Overall fraud savings attributed to this work stream is £2,721,825</p>
<p>9</p>	<p>Internal fraud & corruption</p> <p>Risk assess 80% allegations of internal fraud and corruption as a priority and deploy resources on those cases where there is corroborative evidence within an average of 5 working days of receipt of the information (KPI4).</p>	<p>Q1-4</p>	<p>Objective met</p> <p>The team received 10 referrals in year and 9 were risk assessed within 5 working days and a decision made whether to invest resources and accept.</p> <p>KPI4 target 80%, achieved 90%</p> <p>There have been 5 positive fraud outcomes as a result of internal investigations.</p> <p>Employee 1 was dismissed as a result of fraud and corruption investigations resulting in salary savings amounting to £13,269. After a complex investigation working alongside the Metropolitan Police it was established that employee had diverted significant sums of Housing Benefit payments from live benefit claims into</p>

accounts that they had some element of control over. They were arrested and have been charged with fraud by abuse of position by the Crown Prosecution Service along with one other person (non-employee) and the matter is due for Crown Court trial in July 2018. As a result of the fraud, Internal Audit undertook a piece of work to investigate the controls and have recommended a number of improvements that will prevent a reoccurrence.

Employee 2 was successfully prosecuted by the Crown Prosecution Service for identity fraud in July 2017 after they had provided a false passport to the employment agency as proof of identity before being placed in the authority. They pleaded guilty to the fraud and were sentenced to 4 months imprisonment with an order that the document be destroyed.

Employee 3 was employed as a consultant via an agency in the Regeneration Team and following an allegation was discovered to have failed to declare a conflict of interest to the authority when awarding work to a company that was owned by a relative. The joint investigation with Internal Audit concluded that the work awarded for repairs to a school building under the capital programme was complete to a satisfactory standard but the failure to declare the interest amounted to misconduct. They were subsequently dismissed resulting in salary savings amounting £167,900.2. DILLON

Employee 4 was employed via an agency in a legal role for the authority which involved the use of a 'wifi dongle' as much of their work undertaken was on site. A sharp increase in the monthly bill was picked up by management and the matter referred for investigation. Excess use of the dongle outside of contracted hours was calculated to be £5,146.31 and the individual was invoiced for this amount. The misuse of authority equipment amounted to misconduct and they were dismissed resulting in salary savings amounting to £81,357.12.

Employee 5 was employed in a customer service role for the authority and was responsible for contacting customers owing arrears of Council Tax and arranging payment plans. The individual arranged for a number of customers to make payments, not into their Council Tax account, but into their personal account. The anomaly was picked up when customers were chased for payments they claimed to have already made. The employee had already left the authority by the time the irregularity came to light. The individual was traced by CAFT officers and working with the Metropolitan Police, interviewed about the alleged fraud. They were subsequently charged and pleaded guilty at court receiving an 18 month suspended sentence and 200 hours unpaid work. A compensation order was made for the loss amounting to £5,126.55 (the loss was accounted for and reported during 16/17)

			Overall fraud savings and overpayments attributed to this work stream is £267,672.63 at present, but this will inevitably increase once the court case involving Employee 1 is concluded.⁵
10	<p>No Recourse to Public Funds (NFPF) fraud</p> <p>Continue to work in partnership with the People Directorate to explore the area of <i>No Recourse to Public Funds</i> (NRPf) recently highlighted in Protecting the English Public Purse 2015 and 2016, in undertaking targeted application validation and make recommendations to better manage fraud risks</p>	Q1-4	<p>Objective met</p> <p>The team received 2 NRPf referrals during the year.</p> <p>In one case the authority assembled sufficient evidence to cast doubt over the identity of the applicant and prove that they were also in a relationship, therefore being financially supported. The authority terminated financial support to this individual generating loss avoidance savings of £21,555.60</p> <p>The team continue to liaise with the NRPf Team and the embedded Immigration Officer on all cases to ensure that the gateway to services is robust and to ensure that fraud is identified and dealt with appropriately and preferably before it enters the system.</p> <p>Overall fraud savings attributed to this stream of work is £21,555.60.</p>
11	<p>Revenues/ Business Rates/ Council Tax Reduction Support fraud</p> <p>Work in partnership with Revenues and Benefits to Investigate allegations of fraud and abuse of the Council Tax, Council Tax Reduction Support and Non Domestic Rates Systems, including exemptions, discounts and reliefs, apply appropriate sanctions where fraud is proven and assist in the recovery of fraud related losses</p>	Q1-4	<p>Objective met</p> <p>The team received 28 referrals of Council Tax discount, CTRS and NNDR fraud in year.</p> <p>10 investigations have resulted in positive outcomes and overpayments generated.</p> <p>2 cases related to false Single Person Discount (SPD) applications which were dealt with by way of a rebill on the account. The combined rebill amounted to £2092.31</p> <p>4 cases were related Council Tax Reduction Support and a historical Council Tax Benefit case. The combined overpayments amounted £6057.52</p> <p>3 cases of housing benefit fraud were identified as a result of linked housing tenancy and RTB investigations. The combined overpayments amounted to £41,998.63</p>

⁵ Fraud savings in relation to an employee being dismissed for fraud is calculated as the annual salary received immediately prior to dismissal as it is difficult to calculate the harm they may have caused in position as the full details may never come to light.

			<p>1 business rates investigation generated a rebill of £25,382.50 as a business was identified during a linked investigation that was not registered.</p> <p>Overall fraud overpayments and savings attributed to this work stream is £75,530.96</p>
12	<p>Social care fraud</p> <p>Work in partnership with the People Directorate and Internal Audit to explore social care fraud and abuse by ensuring that:-</p> <ul style="list-style-type: none"> • personal budget funding is spent according to care plans • monitoring of the budget is undertaken effectively • suspicions of fraud are referred to the CAFT when appropriate • make recommendations to better manage fraud risks 	<p>Q1-4</p>	<p>Objective met and ongoing</p> <p>The CAFT undertook some fraud sampling of the monitoring of cases that were reviewed as part of an audit undertaken by Internal Audit on Cash Personal Budgets. Details of the audit are included in the Internal Audit Year End Report 2018-19.</p> <p>CAFT undertook fraud checks on the sample of 30 cases; there were specific concerns on a number of these which will require further investigation and if taken forward these will be reported on separately. The concerns range from the following areas indicating financial irregularity that could lead to fraud:-</p> <ul style="list-style-type: none"> • Incomplete or absent monitoring • Incomplete or absent evidence • Potential inappropriate transactions • Nominated carers not verified <p>In addition to the above proactive work there have been 5 referrals received resulting in 3 positive outcomes involving social care/grants. These comprised of the following:-</p> <p>2 disabled facility grant applications rejected on the basis of unacceptable invoices being provided by applicants. Loss avoidance amount £21,248.</p> <p>1 personal budget fraud case involving misuse of the budget where the applicant was invoiced for the sum of £6,501.80.</p> <p>Overall fraud savings and overpayments attributed to this work stream is £27,749.80</p>

13	<p>Partnership working</p> <p>Responding to requests for information in a timely manner from our law enforcement partners e.g Police, HMRC, Other LA's etc</p>	Q1-4	<p>Objective met</p> <p>The team continues to respond to requests for information from other law enforcement agencies to support their work. A number of cases were investigated jointly with other organisations such as the Metropolitan Police and UK Border Agency.</p>
14	<p>Risk assess allegations of fraud and corruption</p> <p>Risk assess 80% of allegations of fraud and corruption and deploy resources on those cases deemed sufficiently high enough fraud risk within an average of 10 working days of receipt of the information. (KPI5)</p>	Q1-4	<p>Objective not met</p> <p>Of the 203 referrals (discounting those in relation to internal cases) received in 17/18, 153 (75%) were risk assessed and resources deployed to those cases accepted for investigation within 10 working days.</p> <p>This is the first time this performance indicator has been set so it will be monitored once again for 18/19 as it is a good indicator that work incoming to the team is being processed in a timely manner. The 5% target shortfall equates to 10 actual referrals which is not a significant number when compared to the total work undertaken by the team.</p> <p>Analysing the figures it is clear that at times, capacity has limited the activity that could be directed towards this function and there have been times when work has spiked which has made this indicator more challenging.</p> <p>KPI5 target 80%, achieved 75%</p>
15	<p>Other work undertaken outside of the agreed plan</p>	Q1-4	<p>PBX fraud</p> <p>The team dealt with a fraud affecting a school where the telephone line had been 'hacked' and international calls made over an 8 day period in what is referred to a 'PBX fraud'. According to the National Crime Agency businesses are particularly vulnerable to this type of fraud when they are closed or have limited staff cover such as during the holiday period or over weekends. Private Branch Exchanges (PBX) are telephone systems used by businesses to communicate both internally and externally. Fraudsters target these systems to make calls to premium rate/international numbers. Victims are liable for the fraudulent transactions, which can cause significant financial harm or even bankruptcy.</p> <p>The school identified a sharp increase in the bill and alerted the fraud team who were able to bring the matter to the attention of the provider and closed the fraud down. As the provider's systems should have identified the matter much sooner, they accepted the fault was with them and agreed to reimburse the school amounting to £5,684.66.</p>

		<p>Internal Audit undertook some work with the school to improve controls in relation to preventing a repeat by blocking outgoing international calls by use of a PIN.</p> <p>Direct debit fraud</p> <p>The team was alerted to an unauthorised direct debt fraud taken out on a Council bank account by a fraudulent mobile phone account holder. Two direct debits were taken amounting to £43.55 when it was identified internally. The team worked with the service area, the bank and the supplier that set up the direct debit on behalf of the customer and the money was refunded once customer fraud was identified. The service area were advised to work with the bank to introduce an alert system for future direct debits being created that involved money travelling out of the account.</p> <p>Blue badge fraud</p> <p>Whilst not forming part of the 2017/18 plan, a decision was made by the Head of Revenues in consultation with the CAFT Manager to fund some blue badge fraud work through an outside contractor with the CAFT facilitating it. This involved funding an Investigator 1 day per week between January – July 2018 as an initial pilot. The officer has dealt with a number of cases confiscating badges from suspects and at the time of writing, some 13 cases have been passed to HB Public Law to consider issuing summons for badge misuse.</p> <p>Referrals received 25, positive outcomes 15 (badges seized) resulting in notional savings of £7,500⁶</p> <p>Overall fraud savings and overpayments attributed to this work stream is £13,228.21.</p>
--	--	---

⁶ Estimated parking revenue savings for each blue badge seized suspected of misuse is approximately £500

No.	CAFT Key Performance Indicators 2017/18	Target	Mid year outcome	KPI mid year description	Year-end outcome	KPI year-end description
1.	Recovery of 15 social housing units subject to fraud and misuse	100%	60% (9/15)	Achieving	87% (13/15)	Not achieved
2.	% of fraud validation checks undertaken on cases referred to the CAFT set live on the housing waiting list before offer made	90%	89% (8/9)	Achieving	95% (20/21)	Achieved
3.	% of fraud validation checks undertaken on Right to Buy applications referred to the CAFT at offer stage and before completion	90%	100% (21/21)	Achieving	100% (38/38)	Achieved
4.	% of internal fraud and corruption referrals risk assessed and resources deployed in 5 working days	80%	75% (3/4)	Not achieving	90% (9/10)	Achieved
5.	% of fraud and corruption referrals risk assessed and resources deployed in 10 working days	80%	60% (61/101)	Not achieving	75% (153/203)	Not achieved

Analysis of results

1. The partnership with Housing Resident Services and other Registered Social Landlords recovered 13 properties out of a target of 15 during the year. Given the increase in work and outputs on Right to Buys, this is not deemed to be a significant risk. The relationship with Housing remains strong and a number of operational improvements were introduced at the end of 17/18 to ensure that officers across the authority are communicating regularly.
2. In terms of the % of housing cases receiving a fraud validation check before an offer of housing is made, the target was met with 20 out of 21 cases being cleared before offer.
3. All 38 Right to Buy referral cases had been fraud checked prior to purchase resulting in 12 applications being rejected (31%).
4. Of the 80% target indicator for risk assessing internal fraud referrals within 5 working days, the output was 90% so the target was met.
5. Of the 80% target indicator for risk assessing all fraud referrals within 10 working days, the output is at 75%. The failure to hit this indicator was due to capacity to deal with work volumes.