

London Borough of Islington

Internal Audit

Fraud Report

April 2016 to December 2016



Contents

| | |
|-------------------------------|----|
| 1. Introduction | P3 |
| 2. Anti-Fraud Strategy | P3 |
| 2.1 Publicity | P3 |
| 2.2 Training | P3 |
| 2.3 Fraud Forum | P3 |
| 3. London Counter – Fraud Hub | P3 |

1. Introduction

1.1. Purpose of this report

This report summarises the work that the Council and Internal Audit (Investigations) have undertaken from April 2016 to December 2016. It provides details on the work undertaken on the Council's Anti-Fraud strategy and work that is due to commence on the London Counter–Fraud Hub (LCFH). There is also a report on Whistle Blowing and details of anti-fraud work undertaken by Internal Audit Investigations.

2. Anti-Fraud Strategy

The Council's Anti – Fraud Strategy has been signed off by the Chief Executive and will shortly appear on IZZI and the Council's website.

2.1. Publicity

Internal publicity on Fraud Awareness has been prepared by the Communications Team. A number of posters have been designed and approved by Members. These are for a generic internal anti – fraud campaign. Members have also approved one of the posters for use in an external anti - fraud campaign. A separate publicity campaign has been agreed for Housing Fraud

The general themes are around:

- Fraud takes money/services away from people in need, and it has to be taken seriously
- We all have a role to play in preventing fraud from being possible
- We all have a role to play in being alert to fraud attempts
- We all have a duty to report suspected fraud

A cross council fraud risk document has been produced to inform service areas where the greater fraud risks lie in relation to the Service being provided. This includes a section on cross cutting fraud risks.

A section on the intranet has been prepared which gives further details and is almost ready to launch.

2.2. Training

Fraud awareness training has been provided to the wider Finance Team. The content centres on fraud that may affect the working of the team and frauds that are prevalent currently in the Council. We have also included a session on identity fraud. Further work needs to be undertaken with Central Training to evaluate the fraud risk in Service areas and to understand the levels of training required.

2.3. Fraud Forum

In addition to the above, a working group will be set up to establish a way forward in dealing with spikes of investigative work. This will include lead officers from Housing Fraud, Parking Fraud and Internal Audit.

Engagement with directorates that are not represented on the Fraud Forum has commenced to ensure cross Council representation.

3. London Counter – Fraud Hub (LCFH)

The London Borough of Ealing has been working with London Councils' Capital Ambition Board and is developing a counter - fraud hub which will use data provided by London Council's and other sources to increase the detection and prevention of fraud across London. The project was launched in 2014 with support from London Councils and the Department for Communities and Local Government. This was supported by all 33 London boroughs who signed a Memorandum of Understanding demonstrating their commitment. This is a payment by results initiative, the details of which are being currently worked on.

The past year has been spent engaging closely with the market to secure a solution that will provide an advanced data analytical capability that will enable fraudulent activity to be detected and prevented. The procurement process has been concluded. BAE systems in conjunction with CIPFA Business Ltd will be the provider of the hub and the contract is in the

process of being finalised.

The planned approach is for an incremental roll-out of the solution across all of the London boroughs. This provides an opportunity to iron out any implementation issues before most boroughs join the hub. It will also serve to manage the capacity of the provider for on-boarding all of the London Boroughs as efficiently as possible.

Islington, Camden, Ealing, Croydon and Southwark are the five London Boroughs who will be part of the pilot in the proof of concept stage which will last six months starting in January 2017 with workshops to enable design of the product