



SSDC COUNTER FRAUD STRATEGY ACTION PLAN

April 2014 – March 2015

In conjunction with the content of SSDC's 'Counter Fraud, Theft and Bribery Strategy', this Action Plan has been written to detail the tasks, which, subject to resources, we aim to complete in the period 01st April 2014 – 31st March 2015. The Action Plan comprises four distinct sections, and within each, the tasks are listed in a descending order in terms of their priority.

Lynda Creek: Fraud and Data Manager
Tom Chown: Fraud and Data Intern

February, 2014

1) RAISING AWARENESS OF FRAUD:			
Ref	Key task	Target date	Additional Comments
1.1	<p>A periodic fraud risk assessment to be commissioned. This will enable SSDC to gain a more detailed awareness of the severity of corporate fraud risks, and those most in need of prompt counteraction. The need for such an assessment was endorsed by SWAP in a recent fraud audit. Completing the task is contingent upon securing the necessary counter fraud resources to undertake whatever mitigation work is identified.</p>	July, 2014	Software from CIPFA has been used to estimate fraud losses within South Somerset, though these figures need to be quantified through undertaking a more detailed assessment.
	<p>Section in Fraud Strategy 1.2, 1.19, 2.16, 3.8, 5.1</p> <p>Priority High</p> <p>Resources SWAP to carry out assessment, as agreed with Fraud and Data Manager & S151 Officer</p> <p>Outcome Awareness of the scope and degree of corporate fraud risks, as well as the means to alleviate them</p> <p>Performance Measures When a regular occurrence, comparing risk assessments will show the extent of any progress achieved</p>	SWAP Audit: 1.1a	
Ref	Key task	Target date	Additional Comments
1.2	<p>The content relating to fraud on both 'InSite' and the external webpage to be updated. Both websites will be brought into line with the Strategy, and will clearly state the Council's zero tolerance approach to fraud, as well as providing links to the range of counter fraud policies and procedures that are available, including safe reporting routes. A single fraud hotline and a dedicated website for Somerset are being established, with steps taken to ensure that reporting routes are as efficient as possible.</p>	August, 2014	The Fraud and Data intern is now trained to edit both websites, enabling revisions to take place. The website 'somersetfraud.gov.uk' has been purchased, and will be developed this summer.
	<p>Section in Fraud Strategy 2.1</p> <p>Priority Medium-High</p> <p>Resources Fraud and Data Intern, in correspondence with the Fraud and Data Manager</p> <p>Outcome A user-friendly website, which in addition to listing SSDC Policy, clearly and concisely promotes zero tolerance culture, the duty to report suspicions, and the expedient reporting routes available to do so</p> <p>Performance Measure Analysis of website content in comparison with best practice, and an increase in successful referrals</p>		

1) RAISING AWARENESS OF FRAUD:			
Ref	Key task	Target date	Additional Comments
1.3	<p>Employee/Member training and awareness sessions to be provided. As all SSDC staff and members play a role in the delivery of the Counter-Fraud, Theft and Bribery Strategy, the training provided will signpost information relating to fraud, the Council's zero tolerance culture, and the duty to report any reasonable suspicions in accordance with procedures outlined in the Council's Whistleblowing Policy. The counter fraud training will be promoted throughout the organisation.</p>	October, 2014	The content to be covered has yet to be drafted, though an e-learning package has been received from Deloitte on the topic of Fraud Awareness in Local Government, and this is to be considered for inclusion.
	<p>Section in Fraud Strategy 2.1, 2.12, 3.25, 3.36 Priority Medium Resources Fraud and Data Manager, in conjunction with HR Outcome Staff awareness of fraud risks, key aspects of policy, and the appropriate procedures to follow Performance Measure Comprehension of policy, assisted by the mandatory undertaking of the fraud awareness module</p>	SWAP Audit: 1.4b	
Ref	Key task	Target date	Additional Comments
1.4	<p>A fraud awareness induction for all new employees and all recently elected members to be provided. Linking with the module devised for counter fraud training (see 1.2), fraud awareness will be provided during the Induction session for new employees, and the Member's Development for new members. Using the Strategy as a focal point, the content will raise awareness of the standards of conduct expected, the need to make an appropriate disclosure of interests, gifts, and hospitality, the appropriate means to report suspicion of misconduct, and where to seek further advice.</p>	December, 2014	As a reference point for the induction of new personnel, the Strategy must be approved, and then programmes can be designed around its content. Counter fraud is to be included in the member's induction programme from May 2015.
	<p>Section in Fraud Strategy 2.1, 2.12, 3.12, 3.17, 3.25 Priority Medium Resources Fraud and Data Manager, in conjunction with HR and Democratic Services Manager Outcome All new staff will be aware of the zero tolerance approach to Fraud, as well as how to report suspicions Performance Measure Feedback sessions and questionnaires at the end of each counter fraud induction session</p>		

1) RAISING AWARENESS OF FRAUD:			
Ref	Key task	Target date	Additional Comments
1.5	<p>Appropriate guidance on publicising Counter Fraud incidents to be developed. In order to improve the methods through which the Council raise awareness of what constitutes fraud and the means to report fraudulent acts, the way that counter fraud guidance is delivered will be examined. As part of this process, the issues surrounding the publication of internal and external frauds will be brought before both senior management and members for consideration, and once agreed, the guidance will be disseminated as widely as appropriate.</p>	January, 2015	Traditionally there has been a reluctance to publish any incidences of internal fraud due to possible damage to SSDC's reputation, but this mind set is changing. Acknowledging any weaknesses leads to the formation of better safeguards.
	<p>Section in Fraud Strategy 4.2</p>	SWAP Audit: 2.1a	
	<p>Priority Medium-Low</p>		
	<p>Resources Fraud and Data Intern, in partnership with the Communications Team</p>		
	<p>Outcome A clear programme of Counter Fraud publications, endorsed by the Communications Team</p>		
	<p>Performance Measure Assessing the use of publications by comparing current and previous tip-offs, detection rates etc. will give an indication as to how effective such campaigns are in reducing the extent of fraud</p>		

2) ESTABLISHING A POLICY FRAMEWORK:			
Ref	Key task	Target date	Additional Comments
2.1	<p>The SSDC Counter Fraud, Bribery and Corruption Policy to be fundamentally revised. The Policy will provide aid decision making by concisely describing SSDC's approach to fraud, bribery, acts of dishonesty and the abuse of a position of trust. The Policy will be available to all employees, members, contractors and third parties, and will provide them with links to other documents in the counter fraud governance framework.</p>	June, 2014	An accessible Counter Fraud Policy is in place, but it has not been updated since 2007, and therefore needs to be re-drafted to bring it in line with the content of the Strategy.
	<p>Section in Fraud Strategy 1.5, 2.1, 2.8, 4.8</p> <p>Priority High</p> <p>Resources Fraud and Data Intern, in conjunction with the Fraud and Data Manager</p> <p>Outcome A relevant and up to date Fraud Policy, which corresponds closely with the newly approved Strategy</p> <p>Performance Measure Staff and members understand the correct procedure to implement upon receiving allegations of fraud, and find the content of the Policy assists with their decision making</p>	SWAP Audit: 1.1b	
Ref	Key task	Target date	Additional Comments
2.2	<p>A Fraud Response Plan to be drafted for approval by both senior management and members. The Plan will first detail the appropriate measures to undertake should corporate fraud be discovered, and then, as corporate fraud is perpetrated in a variety of ways, the Plan will provide specialised investigative guidance which corresponds to the particular type of fraud, and ensures that the correct operating protocols and appropriate resources/skill sets are deployed.</p>	July, 2014	A first draft of the Plan has been completed, and additional content is being discussed. Before completion, the appropriate investigative resources must be determined for inclusion into the Plan.
	<p>Section in Fraud Strategy 1.5, 1.9, 4.24</p> <p>Priority High</p> <p>Resources Fraud and Data Intern, in conjunction with the Fraud and Data Manager</p> <p>Outcome A comprehensive reference point which provides a specific recourse following any incidence of fraud</p> <p>Performance Measures Evaluation as to the effectiveness of the Fraud Response Plan following any facet of fraud perpetrated</p>	SWAP Audit: 1.1b	

2) ESTABLISHING A POLICY FRAMEWORK:			
Ref	Key task	Target date	Additional Comments
2.3	<p>As part of the overall Counter Fraud Policy (see 2.2) a Formal Sanctions Policy to be drafted for approval by Senior Management and Members. The Policy will detail how specific sanctions are to be applied in relation to a list of criteria to be taken into consideration in each case. The Policy will also ensure that the action taken corresponds to the particular type and scale of the fraud, and that any necessary financial compensation or other forms of redress are achieved.</p>	August, 2014	Though the application of the appropriate sanctions is relatively consistent in relation to the type of fraud discovered, there is no formal Sanctions Policy to demonstrate the procedures currently in place.
	<p>Section in Fraud Strategy 1.5, 2.1, 4.21</p> <p>Priority Medium-High</p> <p>Resources Fraud and Data Intern, in association with the Investigation Team and Legal Services</p> <p>Outcome A clear and consistent policy on the application of sanctions where fraud is proven</p> <p>Performance Measure Review of the policy so as to ensure sanctions are applied evenly, and to further safeguard the Council</p>	SWAP Audit: 1.4a	
Ref	Key task	Target date	Additional Comments
2.4	<p>The SSDC independent Whistleblowing Policy to be revised. The arrangements in place should align with the Strategy, and with best practice from the Whistleblowing Charity 'Public Concern at Work'. Once the Policy has been revised, it will be disseminated to all employees, members, contractors and third parties so that the procedures within become as widely adopted as possible.</p>	September, 2014	The SSDC 'Whistleblowing Policy and Procedure' has not been updated since 2007, and whilst it provides a good basic grounding, it needs revision to accord with new guidelines.
	<p>Section in Fraud Strategy 1.15, 2.1, 2.8, 3.15, 3.20, 4.3, 4.8</p> <p>Priority Medium-High</p> <p>Resources Fraud and Data Intern, in correspondence with the Fraud and Data Manager</p> <p>Outcome A concise and relevant Whistleblowing Policy which corresponds with the content in the Strategy</p> <p>Performance Measure Feedback from the appropriate officers to design out any vulnerability to the risk of fraud, and the number of fraud referrals received through this route</p>	SWAP Audit: 2.2a	

2) ESTABLISHING A POLICY FRAMEWORK:			
Ref	Key task	Target date	Additional Comments
2.5	<p>An Annual Fraud Programme to be presented to Audit Committee to keep them informed of counter fraud work. The Audit Committee are obligated to make certain that counter fraud and corruption arrangements are in place, and accordingly, an annual Fraud Programme should be delivered to them, assessing the effectiveness of corporate fraud initiatives every six months, as well as any areas in need of revision. The Plan will also detail initiatives for the next six months, including how the resources available are to be focused towards the most severe fraud risks.</p>	December, 2014	No progress towards Biannual Plan specifically, but supporting prerequisite documents are currently going through the revision process. Drafting an appropriate format for the Plan will commence this summer upon the Strategy's approval.
	<p>Section in Fraud Strategy 1.5, 1.21, 2.12, 5.2</p> <p>Priority Medium</p> <p>Resources Fraud and Data Intern to draft the format, and Fraud and Data Manager to present report each year</p> <p>Outcome An Annual Programme which details the successes in countering fraud, and the areas to be revised</p> <p>Performance Measure Once an initial report is drafted, future success will be determined by comparison with the previous year</p>	SWAP Audit: 1.1b	
Ref	Key task	Target date	Additional Comments
2.6	<p>An Overview Spreadsheet of Fraud Occurrences to be established to list past incidences of corporate fraud. This would provide a complete picture of fraud incidents and risks across the Council, detailing what type of fraud took place, the method(s) through which it came to light, and the safeguards needed to stop a reoccurrence. By sharing the lessons learnt, and by critically examining the procedures followed when fraud has been discovered, a clear indication of risks will become apparent, as will the processes which remain effective, and the practices requiring amendment.</p>	February, 2015	No progress as yet, but the need for the document has been informally discussed with Service Managers, who should retain a historic record of any fraud incidents within their department, albeit on a confidential basis currently.
	<p>Section in Fraud Strategy 1.7, 1.20, 2.2</p> <p>Priority Medium-Low</p> <p>Resources Case files to be provided by Service Managers, Investigations Team, and SWAP.</p> <p>Outcome A Spreadsheet detailing historic instances of fraud for the use of the Fraud and Data Manager</p> <p>Performance Measure A more comprehensive picture of fraud risks, minimising the risk of similar fraud reoccurring</p>		

3) PROCEDURAL CHANGES:			
Ref	Key task	Target date	Additional Comments
3.1	<p>The remit of the Corporate Governance Group (CGG) to be extended to include specific reference to counter fraud work. At such time, membership of the CGG should be granted to the Fraud and Data Manager, so that she is in the communication loop on fraud related issues. This will enable direct awareness as to the extent of fraud risks both within and across different departments, as well as how such matters fit with other governance issues. The CGG will also have a chance to be briefed by the Fraud and Data Manager on relevant fraud risks.</p>	June 2014	Consultation with the CGT regarding how this change might be implemented has not yet begun, but discussions with the CGT over the corporate adoption of the Strategy will provide a platform for this issue to be raised and amended.
	<p>Section in Fraud Strategy 2.11</p> <p>Priority High</p> <p>Resources Assistant Director – Legal and Corporate Services, Fraud and Data Manager</p> <p>Outcome Fraud is specifically addressed by Senior Management. Fraud and Data Manager included in CGT</p> <p>Performance Measure CGT has a wider remit and membership, demonstrating the corporate adoption of counter-fraud</p>	SWAP Audit: 1.2a	
Ref	Key task	Target date	Additional Comments
3.2	<p>The Risk Management System (TEN) to be revised so that all corporate fraud risks are integrated. Rather than being listed amongst other operational risks by each service, corporate fraud risks should be located under one section on the system. The current system hinders a true picture of corporate fraud being developed, but if all risks associated with corporate fraud can be brought together, then a clearer and more accurate assessment of such risks can be made.</p>	August, 2014	Amendments that can be made to the TENs system will be discussed with Management Board whilst the Strategy enters the approval process. Hopefully, a centralised means exists to achieve this task.
	<p>Section in Fraud Strategy 3.3, 4.4, 4.5</p> <p>Priority Medium-High</p> <p>Resources Fraud and Data Manager, with services managers to complete the procedural change necessary</p> <p>Outcome Fraud & Data Manager has a detailed awareness of the preparedness of other departments concerning the potential risks they face from fraud, and what each department is doing to mitigate these risks</p> <p>Performance Measure A greater understanding of all risks that the Council face in relation to fraud</p>	SWAP Audit: 1.2a	

3) PROCEDURAL CHANGES:			
Ref	Key Task	Target date	Additional Comments
3.3	<p>The Fraud and Data Manager to be able to access SWAP Reports commissioned by SSDC on issues related to fraud. Linking with task 2.6, this would enable the Fraud and Data Manager to gain awareness of all audit recommendations concerning counter fraud issues. As things stand, the Assistant Director – Finance receives a copy of every audit report produced by SWAP as a result of their analysis into the Council’s procedures, policies and safeguards. Inclusion would provide detailed insight into departmental measures to prevent fraud, as well as the cross-departmental ability of SSDC as an organisation to mitigate losses.</p> <p>Section in Fraud Strategy 2.1, 2.9, 2.11 3.2, 3.4, 4.5 Priority Medium Resources Assistant Director – Finance and Corporate Services, Fraud and Data Manager Outcome Thorough understanding of measures taken to prevent fraud through access to all SWAP documents Performance Measure Once access is granted, comparison of annual performance through SWAP reports can be achieved</p>	November, 2014	No progress as yet, though consultation has begun with the Assistant Director – Finance as to how more probing audits could be conducted in the future, and this provides a platform to begin any procedural changes necessary.
Ref	Key task	Target date	Additional Comments
3.4	<p>A monitoring system to be devised so that delivery of the Action Plan does not have an adverse impact upon protected characteristics. Such an assessment will give due consideration to the varying requirements of the residents of South Somerset. This will include measures to ensure accessible external documents, inclusive in-house training, and policies/procedures which have no adverse impact upon protected characteristics.</p> <p>Section in Fraud Strategy 1.20 Priority Medium-Low Resources Fraud and Data Intern, Equalities Officer Outcome The successful undertaking of the Action Plan, without disadvantaging protected characteristics Performance Measure Assessment of the monitoring system by the Equalities Officer and the Equalities Steering Group</p>	February, 2015	The Plan is to be assessed by the Equalities Steering Group to make sure that any adverse effects resulting from the completion of tasks are made apparent and then mitigated.

4) PROACTIVE COUNTER FRAUD INITIATIVES:			
Ref	Key task	Target date	Additional Comments
4.1	<p>The county-wide fraud hotline and dedicated website for the reporting of all types of corporate fraud to be reviewed. It was recognised that enabling people across the county to report fraud in one place could lead to a substantial reduction in corporate fraud losses, and so a variety of mediums have been put in place for those wishing to register their suspicions of malpractice. To ensure effectiveness, the hotline and website need to be reviewed, in terms of the number of users, the accessibility of the services, and the quality of the data generated through fraud referrals.</p>	June, 2014	The hotline and the website 'somesetfraud.org.uk' have been established, with the Investigation team at SSDC receiving referrals. To a certain extent, the volume of referrals will influence the type and amount of future resources.
	<p>Section in Fraud Strategy 1.15, 2.1, 4.3, 4.7</p> <p>Priority High</p> <p>Resources Senior Management to establish the resources available. Hotline and website need to be administered</p> <p>Outcome Fraud hotline and website to be reviewed, ensuring simple means of reporting misconduct are in place</p> <p>Performance Measure Success of campaign monitored through number of referrals and quality of data received</p>		
Ref	Key task	Target date	Additional Comments
4.2	<p>Future resources to receive referrals through the fraud hotline and website to be considered. Prompted by the Prevention of Social Housing Fraud Act (2013), which gives councils sole power in the prosecution of tenancy offences, a campaign known as 'Know a Cheat in Your Street' was run by the Somerset Tenancy Fraud Forum. In order to ensure the success of this campaign, consideration needs to be given to the resources in place to handle fraud referrals, as although the Investigations team at SSDC currently receive them, they are due to transfer to DWP in the near future.</p>	September, 2014	For the time being, SSDC staff are handling all Somerset referrals, and passing them to the appropriate local authority or housing association. Yet due to impending transfer to DWP, resource arrangements for the future must be determined.
	<p>Section in Fraud Strategy 1.5, 1.18, 1.19, 3.10, 5.2</p> <p>Priority Medium-High</p> <p>Resources Senior Management to establish the resources available. In-house staff could be retained in some way</p> <p>Outcome Arrangements to ensure that the data generated through fraud referrals continues to be investigated</p> <p>Performance Measure Successful investigation of hotline and website referrals, and recovery of any fraud losses</p>		

4) PROACTIVE COUNTER FRAUD INITIATIVES:			
Ref	Key task	Target date	Additional Comments
4.3	<p>More probing and directed audits to be conducted in key areas of fraud risk. Fraud profiling tools provided by CIPFA have indicated that the principal losses to corporate fraud which affect the Council relate to the areas of procurement, social housing, council tax discounts, and grants.</p> <p>I) Procurement fraud: An assessment of procurement procedures in comparison with 'Procurement - Themes and Controls' by the London Public Sector Counter Fraud Partnership is to be commissioned. Procurement fraud is a significant area of loss, and it has been identified that a more probing type of audit is needed to test the effectiveness of the current procedures in place at SSDC.</p> <p>II) Social Housing Fraud: The common need register has been recognised as an area at risk from fraud, and so a thorough audit is seen as means to analyse the resilience of current arrangements.</p> <p>III) Council tax discounts and exemptions: Measures will be taken to evaluate the extent of fraud around council tax administration under the new support scheme, the single person's discount etc. The governmental decision to devolve the administration of council tax to local authorities has meant that financial losses are felt more directly than ever, meaning a departure from the traditional reluctance to prosecute for offences related to the council tax may be required.</p> <p>IV) Grant Fraud: The potential for fraud to occur at the stages before and after the awarding of a grant has been recognised, and therefore, a more focused audit is need to assess the quality of the preventative measures in place at both of these stages.</p>	October, 2014	<p>The Assistant Director - Finance has agreed to allocate up to 30 days of SWAP time to complete more probing and focused audits in the key areas listed in this task, and these will be taking place from October.</p> <p>The need for a procurement audit, undertaken in specific comparison to the document produced by the LPSCFP has been approved by the Assistant Director – Finance.</p> <p>Work to tackle social housing fraud is centred on involvement with the Tenancy Fraud Forum (see 4.2), though audits into specific areas such as the common need register must be undertaken in recognition of the high level of financial loss occurring nationally.</p>
	Section in Fraud Strategy	2.1, 3.7, 3.19 , 4.1, 4.6	
	Priority	Medium	
	Resources	Senior Management to establish resources. SWAP usage depends on the number of days available	
	Outcome	Evaluation as to the effectiveness of safeguards in place to prevent grant fraud from occurring	
	Performance Measure	Identification of the areas and safeguards relating to corporate fraud which are in need of revision	

4) PROACTIVE COUNTER FRAUD INITIATIVES:			
Ref	Key task	Target date	Additional Comments
4.4	<p>Somerset Councils to be engaged in the fraud referral process on the website 'somersetfraud.org.uk'. Though capable of receiving referrals in all Somerset authorities, all information will initially be directed to the SSDC Fraud Investigation Team. This cannot continue indefinitely due to resource issues, so discussions with other councils in Somerset must take place to delegate the workload appropriately, and to ensure resources for the future.</p> <p>Section in Fraud Strategy 1.15, 2.1, 4.3, 4.7 Priority Medium Resources Senior Management of other Somerset Councils to establish the available resources in their authority Outcome Resources for handling county wide referrals established at other Somerset Councils Performance Measure Further promotion of the website, and the ease with which the data reaches the appropriate authority</p>	November, 2014	Because Investigation staff are to transfer to SFIS under DWP, consideration needs to be given as to how referrals are to be processed and acted upon in the long-term by each council.
Ref	Key task	Target date	Additional Comments
4.5	<p>Discussions with Somerset County Council to be held over the financing of further resources to investigate council tax fraud. Considering that the principal sum (just over 70%) of council tax levied goes to the County Council, SSDC will discuss the financing of resources to investigate the fraudulent receipt of council tax discounts or exemptions with SCC, as it is they who principally benefit from any sums recovered. Council tax fraud has not traditionally been treated as such by the Council, with prosecutions rarely occurring. However, the shift from centralised to localised administration of council tax has meant that financial losses are felt more directly by the Council, so SSDC should reassess its response.</p> <p>Section in Fraud Strategy 3.7 Priority Medium-Low Resources Senior Management to establish the resources available Outcome A schedule of meetings, undertaken with the aim of securing further investigative resources from SCC Performance Measure A clear decision as to the provision of further resources, as well as the attitude SSDC are to adopt</p>	January, 2015	It may be that in the future, operations and investigations against the perpetration of council tax discount fraud are taken over by the SFIS under DWP, but for now, this is a notable concern, and SSDC need further resources to effectively combat this form of corporate fraud.