

Counter Fraud Update

Medway Council

For the period:

1 December 2024 – 31 January 2025

1. Introduction

- 1.1 The Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The team provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud
- 1.2 The Counter Fraud team reports periodically to senior management and the Finance & Audit Committee to provide updates on all counter fraud activity and the results of completed investigations.

2. Executive Summary

- 2.1 The counter fraud team continues to deliver work across the various areas of the counter fraud plan, with approximately 9% of projected resources delivered over the period. They maintain good progress with professional training and one of the Intelligence Analysts has entered the end point assessment for their apprenticeship.
- 2.2 Due to resourcing, there has been limited work in relation to fraud awareness and risk assessment, but this will pick up again when new officers are in post.
- 2.3 Matches have been received for the 2024-25 National Fraud Initiative exercise, with some early results linked to the cancellation of blue badges and concessionary passes belonging to people that have passed away. Services will be reviewing matches within their areas of responsibility.
- 2.4 Pro-active work has taken place in housing although there have been no investigations arising from this work so far, and activity aimed at identifying blue badge misuse has taken place with the Parking Enforcement Team, which resulted in recovery of some expired badges and the issuing of PCN's for a variety of circumstances.
- 2.5 Investigative activity during the period has led to cashable savings of £24,148, linked to council tax and the cancellation of a temporary accommodation placement.
- 2.6 Good liaison has been maintained with the Police and other investigative bodies, with all requests for information responded to within set timescales. Information on Housing Benefit claims has been provided to the DWP in accordance with local SLA's for SFIS investigation and one case resulting in an overpayment of £7,560.

3. Resources

- 3.1 The Internal Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The Counter Fraud team now consists of; the Head of Internal Audit & Counter Fraud (0.35FTE), one Counter Fraud Manager, four Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (1.86FTE).
- 3.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 76% for Medway, with the remaining 24% for Gravesham. The establishment at the time the Counter Fraud Plan for 2024-25 was prepared, was forecasted to provide a total of 1138 days available for counter fraud work (net of allowances for leave, training, management, allocation of resource to internal disciplinary and grievance cases, administration etc.) The Counter Fraud Plan for Medway was prepared with a resource budget of 555 days for counter fraud work.

- 3.3 Net staff days available for counter fraud for Medway for the period 1 December 2024 to 31 January 2025 amounted to 50.2 days. Of this time:
- 0.1 day (<1%) was spent on fraud awareness & prevention,
 - 20.8 days (41%) days on pro-active counter fraud activity,
 - 21.1 days (42%) on investigation activity, and
 - 8.2 days (16%) on other counter fraud activity.

The current status and results of work carried out are detailed at section 4 of this report.

- 3.4 A refresh of the resource budgets with updated projections suggests that there is a loss of 111 days from the original estimate of 555 days for counter fraud work. This is due to a counter fraud officer being seconded to the internal audit team in August 2024 and a further officer leaving on 3 January 2025. Two new officers will be in post from March 2025.

4. Results of Counter Fraud work

- 4.1 The Counter Fraud Plan 2024-25 for Medway was approved by the Audit Committee in March 2024. The Plan is intended to provide a clear picture of how the council will use the Counter Fraud resource, reflecting all work to be carried out by the team for Medway during the financial year.
- 4.2 The tables below provide details of the progress of work undertaken as part of the 2024-25 annual plan and the results of investigative work completed during the period.

Fraud Awareness & Prevention

Ref	Activity	Days used	Current status	Summary of activity
1	Fraud Risk Assessments	0.1	In Progress	A fraud risk register was presented to the Committee in January 2025 based on the risk assessments completed to date. The quality control process identified areas where further reviews may be necessary but due to resourcing this has not yet taken place. Once new officers are in post, this work will continue, and the fraud risk register enhanced.
2	Fraud awareness	0	In Progress	Due to resourcing and the Christmas holidays, no awareness sessions were able to take place during the reporting period.
3	Corporate Working Groups	N/A	Not yet started	There have been no requests for attendance at corporate working groups during the reporting period.

Pro-Active Counter Fraud Activity

Ref	Activity	Days used	Current status	Summary of activity
4	National Fraud Initiative	0.2	In progress	<p>A total of 7,282 matches were received in December 2024, across the various reports included in the 2024-25 NFI Exercise. Services have been asked to review the matches relating to their areas of responsibility, with the fraud team focussing on resulting investigations.</p> <p>Much of the work is still in the very early stages but the blue badge team have already reviewed the 483 matches linked to deceased persons and subsequently cancelled 322 Blue badges, with next of kin contacted for their return, and associated savings of £255,668. The council's software partner has already dealt with 482 concessionary passes matched to deceased data, resulting in 388 passes being cancelled, with associated savings of £14,744.</p>
5	Kent Intelligence Network	N/A	Not yet started	Nothing to report.
6	Pro-Active Exercises	15.7	In progress	<p>The team have been working through the results of the tenancy data matching exercise and completing intelligence checks but to date we have not identified any cases requiring full investigation. At the conclusion of the exercise, the council may be able to draw assurance over the fraud prevention controls within Housing.</p> <p>The team undertook activity with the Civil Enforcement Officers during December, spending approx. four hours in Chatham, actively seeking out blue badge misuse. This activity resulted in five expired badges being recovered (in all cases the badge holders were present and had their new badges also) and six Penalty Charge Notices (PCN) being issued; three due to badges being</p>

Ref	Activity	Days used	Current status	Summary of activity
				<p>displayed that had been reported lost/stolen (they were unable to recover the badges as driver not present), one with a photocopy of a badge being displayed, one on display before it's registered start date, and one where it was suspected false information was being provided when attempts were made to contact the badge holder.</p> <p>Further such activity will take place in the future but in the meantime, we are speaking to colleagues at other councils to learn from their approaches to make our activity more effective.</p>

Responsive investigation work: external investigations

Area	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Council Tax	4	Four cases concluded with the removal of the council tax discount/exemption or reduction.	£8,848 (Historic Liability) £2,742 (Additional liability for future years)	N/A	N/A
Housing	1	One case concluded with no evidence of fraud. One case resulting in the cancellation of a temporary accommodation placement.	£12,558	N/A	N/A
School	1	One case concluded with withdrawal of the school placement offer.	N/A	N/A	N/A

Responsive investigation work: internal investigations

The Counter Fraud Team conduct disciplinary/grievance investigations on behalf of HR into a range of matters that cannot be detailed in these reports. However, details of any disciplinary matters connected to criminal proceedings will be provided after the cases are concluded.

Allegation	Investigation activity & recommendations
	Nothing to report

Other Counter Fraud Activity

Ref	Activity	Days used	Summary of activity
9	Liaison with the DWP	0.5	The team have responded to requests for Housing Benefit data linked to 12 DWP investigations, providing all necessary details. While there have been no closure notifications, we have received requests for claims to be reassessed based on evidence gathered, and one has so far resulted in a Housing Benefit overpayments totalling £7,560 and excess CTR awards of £861.
10	Responding to information requests	7.7	The team have responded to 185 requests for information from the Police and a number of other investigative bodies during the period, providing necessary information in accordance with the data protection protocols.
11	Partnership Liaison	0	No activity in the reporting period.

5. Performance Monitoring

- 5.1 The Counter Fraud Plan includes a suite of 11 performance indicators used to monitor the effectiveness of the team. The monitoring of performance data largely automated through the team's time recording processes and reports available from their case management system. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 5.2 The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for four of the 11 indicators; however, it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

Ref	Indicator	Target	Outturn for period
Non-LA Specific Performance Measurements			
CF1	Proportion of staff with professional qualification relevant to counter fraud:	N/A	Annual outturn only
CF2	Proportion of non-qualified staff undertaking professional qualification training	N/A	Annual outturn only
CF3	Time spent on Professional qualification training:	N/A	5
CF4	Time spent on CPD/non-professional qualification training, learning & development	25 days	6.7
LA Specific Performance Measurements			
CF5	Proportion of estimated resources delivered	N/A	9%
CF6	Proportion of chargeable time spent on: a) Fraud Awareness & Prevention b) Pro-Active Counter Fraud Activity c) Responsive Investigation Activity d) Other Counter Fraud Activity	N/A	<1% 41% 42% 16%
CF7	Number of investigations closed	N/A	5
CF8	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	N/A	£24,148 £0 £0
CF9	Number of civil actions resulting from investigative activity a) Civil penalties for negligence b) Right to Buys cancelled c) Council Properties recovered	N/A	0 0 0
CF10	Number of criminal sanctions applied a) Cautions b) Administrative Penalties c) Prosecutions		0 0 0
CF11	Client, Management and Member satisfaction with Counter Fraud services	90%	Annual outturn only

