

<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE:</b> 2022-23 Annual Counter Fraud Report	
<b>REPORT OF:</b> Executive Director Corporate Services	
<b>FOR SUBMISSION TO:</b> Audit and Corporate Governance Committee	<b>DATE:</b> 15 June 2023
<p><b>SUMMARY OF REPORT</b></p> <p>This report provides the Audit and Corporate Governance Committee with a summary of anti-fraud activities undertaken during the 2022-23 year. The report covers the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.</p> <p><b>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION:</b> No documents have been used in the preparation of this report that are required to be listed.</p> <p><b>Contact Officer:</b> Nasreen Khan Head of Internal Audit, Investigations and Risk Management 5 Pancras Square London N1C 4AG Telephone: 020 7974 2211 Email: <a href="mailto:nasreen.khan@camden.gov.uk">nasreen.khan@camden.gov.uk</a></p>	
<p><b>RECOMMENDATION</b></p> <p>The Committee is asked to note the report.</p>	

Signed: As agreed by the Executive Director Corporate Services

Date: 2<sup>nd</sup> June 2023

## **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 2022-23 year, covering the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
- 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, 3 whistleblowing referrals were received. Details of these 3 referrals, as well as one referral relating to 2021-22, are provided within the private appendix to this report.
- 2.3. As reflected within Table 1 below, for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, AFIT received a total of 55 referrals of suspected fraud, theft or irregularity, including 3 whistleblowing referrals. AFIT investigated 54 of the referrals received. In one instance AFIT did not investigate as the referral concerned an

allegation of Universal Credit fraud. This referral was passed to the Department for Works and Pensions to investigate.

- 2.4 Of the 54 referrals investigated by AFIT 27 referrals have been closed following the conclusion of investigatory work. 21 of the closed referrals were found to be substantiated and 6 were found to be unsubstantiated. Of the remaining 27 referrals, 1 referral has been substantiated. However, this case remains open as AFIT has referred the case to the police. The remaining 26 cases remain open and are subject to ongoing enquiries. Further analysis is provided below:

**Table 1: Number of referrals substantiated per year**

Period	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
Number of Referrals Received	55	66	60
Number Substantiated	22*	13**	14***

*\*In 2022-23, 10 referrals out of the 22 referrals substantiated between 1<sup>st</sup> April 2022 and 31<sup>st</sup> March 2023 related to Penalty Charge Notice (PCN) fraud (where drivers were found to have submitted false or misleading information in support of their appeal).*

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

*\*\*\*In 2020-21, 2 referrals out of the 14 referrals that were substantiated in the year 2020-21 related to Penalty Charge Notice (PCN) fraud.*

- 2.5 A breakdown of the types of referrals received over the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 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 2020-21 and 2021-22 have also been provided.

**Table 2: Breakdown of referrals by type**

Referral Type	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 – 31 <sup>st</sup> March 2021
Housing related	1	11	4
Identity / Right to work	1	1	1
Payment	8	16*	17**
Theft	3	5	1
Procurement	-	-	2
School admission	1	9	3
Data breach	3	-	2
Employment	8	6	11
False document	-	2	5
Police arrest	2	4	3

Capital/Savings	1	-	1
Harassment, inappropriate behaviour and intimidation	7	5	4
Favouritism / nepotism	-	-	1
Parking related (including PCN)	17	6	5
Contractor	1	1	-
Impropriety	2	-	-
<b>Total</b>	<b>55</b>	<b>66</b>	<b>60</b>

\*8 related to Covid grants in 2021-22

\*\* 12 related to Covid grants in 2020-21

**Table 3: Breakdown of referrals by Directorate**

Directorate	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 March 2021
Supporting Communities	11	21	18
Supporting People	6	16	7
Corporate Services	21	23	30
Corporate Services – Parking related	17*	6**	5***
<b>Total</b>	<b>55</b>	<b>66</b>	<b>60</b>

\*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.

\*\*\*In 2020-21, parking enforcement was suspended for periods during the pandemic. Therefore, this reduced the number of PCN referrals to AFIT.

### Summary of investigation outcomes for 2022-23

2.6 33 of the referrals received for the period covering 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 contained allegations of fraud or malpractice committed by members of the public, companies, or other organisations. Outcomes of these referrals are as follows:

- 14 referrals have been substantiated;
- 3 referrals were unsubstantiated;
- 1 referral was referred to the Department for Works and Pensions to investigate, and
- 15 referrals remain open with enquiries ongoing.

2.7 The remaining 22 referrals received within this period relate to allegations of fraud or malpractice by Council employees. Outcomes of these cases are as follows:

- 8 referrals have been substantiated; 7 cases have been closed and 1 remains ongoing as AFIT has referred the case to the Police;
- 3 referrals were unsubstantiated, and
- 11 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 including Council Tax.

## **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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. 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 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021
Street patrols	12	12	3
Vehicles inspected (approximate)	1,200	1,200	150
Referrals/allegation of misuse	80*	58*	30
Cases of misuse established	54	33	4
Penalty Charge Notices (PCNs) issued for misuse	54	23	3
Removals	13	8	6
Confiscations	7	8	0
Interviews	9**	13	3
Warnings	6	0	0
Cases referred to Legal Services	6	1	2
Successful prosecutions	5	1	0
Prosecutions awaiting court date	1	0	0

*\*In 2021-22 and 2022-23, referrals/allegations of misuse increased as a result of more patrols and traffic increasing as pandemic restrictions eased.*

*\*\*The number of individuals invited to attend an interview was 38. However, 29 individuals did not attend. These cases were considered individually based on the evidence held and were only referred to the Council's legal service as appropriate.*

**Table 6: Comparator data – Blue Badge prosecutions:**

Activity	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022	1 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
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Cases referred to Legal Services	6	1	2	0
Successful prosecutions	5	1	0	0

- 3.6. 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 Penalty Charge Notice (PCN) fraud, where drivers submit false or misleading documentation in support of their PCN appeal.
- 3.8. On 26<sup>th</sup> 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 borough, 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.

#### 4. Housing Investigations

- 4.1. The Housing Investigations team (HIT) in the Council's Supporting Communities directorate work with neighbourhood housing teams and Leaseholder Services 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.
- 4.2. HIT officers all have a professional certificate in investigation skills or the equivalent (or are currently studying for their qualification). Officers focus either on the north or south of the borough linking with neighbourhood housing teams for strong collaborative working and intelligence sharing. The team currently consists of four investigations officers and a team manager who also carries a (smaller) case load. Three team members, including the manager, joined the team in 2022.
- 4.3. The table below provides data from 1 April 2022 to 31 March 2023 and also includes figures for the previous two years:

**Table 7: Housing Investigations Team cases**

	2022-2023	2021-2022	2020-2021
<b>Total properties recovered:</b>	57	57	49

Ineligible succession or assignment applications	21	31	38
Ineligible right to buy requests	16	7	-
Sub-letting	3	3	4
Other unauthorised occupancy (keys passed on)	7	3	4
Non- occupation and abandonment	10	13	3
<b>Unlawful profit recovered / compensation payments</b>	£15,071.71	-	-

4.4. 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.

4.5. Whilst there have been different methods of measuring the cost of tenancy fraud, the Tenancy Fraud Forum (TFF) recommended in 2022 that all 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 57 homes recovered in Camden last year:

57 homes recovered in 2022 x £42,000 = £2.394 million
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4.6. The actual figure in a high demand and high cost area like Camden will be significantly higher, especially taking into account the scarcity and high 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.

4.7. The work that the HIT and neighbourhood 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 to ensure that council homes are not lost from the stock and are available to let to people in housing need.



- 4.8. The Regulator of Social Housing has set out an expectation in the “Tenancy Standard”<sup>1</sup> section of the regulatory framework for social housing in England that “Registered providers shall make sure that the home continues to be occupied by the tenant they let the home to in accordance with the requirements of the relevant tenancy agreement, for the duration of the tenancy.”
- 4.9. As well as making sure that applicants are eligible to succeed to a tenancy or to buy a council home, HIT also act as 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.
- 4.10. HIT reports to neighbourhood teams highlight when a successor is living in a home that has more bedrooms than they need. This helps to ensure that most successors in this situation are encouraged to downsize to free up larger homes for families. It also identifies that successors under state pension age may benefit from money advice as the bedroom tax will affect them further down the line if they receive Universal Credit or Housing Benefit towards their housing costs.

At least ten successors downsized in 2022-3 freeing up homes for families including a scarce four bedroom flat.
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- 4.11. 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 the home they were let is a council home or may not have realised there was anything wrong in moving back into the home they grew up in as a child after a parent died. Part of the team’s work includes linking 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.
- 4.12. HIT can be contacted via an on-line form on the Council’s website<sup>2</sup> or at [TenancyFraud@camden.gov.uk](mailto:TenancyFraud@camden.gov.uk).

## 5. Whistleblowing

- 5.1 The Council has facilities available for all staff and members to report any concerns they may have.
- 5.2 In 2022-23, the Council’s Anti-Fraud and Corruption Strategy contained the procedures for whistleblowing, which staff could refer to for advice or if they

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<sup>1</sup> [Tenancy Standard - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/tenancy-standard) (para 2.2.6) accessed 23 May 2023

<sup>2</sup> [Report an unlawful occupancy - Camden Council](#)

have any concerns. From 2023-24, a separate whistleblowing policy will be maintained. Further details are provided 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. The intranet page entitled: How to Report Fraud, Corruption or Money Laundering contains a link to the Council's Anti-Fraud and Corruption Strategy and Fraud Response Plan which provides guidance on the steps staff should take if they suspect a fraud. A ['How do I report fraud'](#) page is also available via the Council's website.
- 5.4 If any employee of the Council knows of or suspects any irregularities concerning staff, cash, assets or any other financial mismanagement 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 immediately.
- 5.5 Whistleblowing referrals are managed by AFIT, in accordance with the requirements and protocols set out within the Council's Anti-Fraud and Corruption Strategy procedures for whistleblowing. 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 The Anti-Fraud and Corruption Strategy and the Council's webpages have also been updated to reflect this change, and can be found [here](#).
- 5.7 In line with AFIT's protocol, AFIT will undertake an assessment of on receipt of a whistleblowing report, irrespective of whether the report was received anonymously. 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 Head of Service or HR for further action.
- 5.8 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.
- 5.9 Between 1<sup>st</sup> April 2022 and 31<sup>st</sup> March 2023, the Council received three whistleblowing referrals. 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, 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 Since the end of 2014, 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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.
- 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 2<sup>nd</sup> December 2022 (following the previous inspection in 2019) 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 12<sup>th</sup> December 2022. Outcomes from inspection were exceedingly positive, with the inspector stipulating that the Council's RIPA and Social Media for Investigations policies were well-written, clear and comprehensive. It was noted that the recommendations made during the previous inspection in 2019 had been implemented. The inspector also noted that the Council had scheduled RIPA

refresher training and that this demonstrated the Council's commitment to maintaining standards and a sound knowledge base, should the situation arise where an authorisation would be required. 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.

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 at Appendix F 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 1<sup>st</sup> January 2022 to 31<sup>st</sup> December 2022, no covert surveillance were conducted or applications for communications data made by the Council. The IPCO was advised of this on 18<sup>th</sup> January 2023. 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 22/23, with proactive anti-fraud input sought in a number of areas including housing and finance.

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 2019-20, as part of the wider corporate mandatory learning package refresh, and all officers were required to complete the training.

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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, 4753 employees have completed the fraud awareness module. This figure is larger than the previous year due to the mandatory learning that took place for all employees.

## **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 5<sup>th</sup> April 2020 to 31<sup>st</sup> March 2022; the report, published in December 2022, can be accessed [here](#).

## **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 are included at Appendices B to H. Except for the whistleblowing policy at Appendix H which is new, amendments to existing policies have been highlighted in grey for ease of reference.

- 9.2 The following policies have been updated:

- i. Anti-Fraud and Corruption Strategy (Appendix B)
- ii. Anti-Bribery Policy (Appendix C)
- iii. Money Laundering and the Proceeds of Crime Policy (Appendix D)
- iv. Corporate Prosecutions, Sanctions and Redress Policy (Appendix E)
- v. RIPA Corporate Authorisation Policy (Appendix F)
- vi. Social Media for Investigations Policy (Appendix G)
- vii. Whistleblowing Policy and Procedure (Appendix H)

### **9.3 Anti-Fraud and Corruption Strategy**

- The strategy was last presented to the Committee in June 2017;
- A review of the policy has taken place to ensure that it remains fit for purpose;
- Web links have been updated to ensure that they remain valid.

### **9.4 Anti-Bribery Policy**

- A review of the policy has taken place to ensure that it remains fit for purpose;
- Web links have been updated to ensure that they remain valid.

### **9.5 Money Laundering and the Proceeds of Crime Policy**

- The policy was last presented to the Committee in September 2019;
- Reference to an update of money laundering legislation have been included;
- Web links have been updated to ensure that they remain valid.

### **9.6 Corporate Prosecutions, Sanctions and Redress Policy**

- The policy was last presented to the Committee in June 2017;

- A review of the policy has taken place to ensure that it remains fit for purpose;
- Web links have been updated to ensure that they remain valid.

#### **9.7 RIPA Corporate Authorisation Policy.**

- The policy was last presented to the Committee in July 2020;
- As per item 6.13 above, the recommendations emanating from the IPCO inspection in December 2022 have been incorporated;
- The list of Authorising Officers has been updated;
- Web links have been updated to ensure that they remain valid.

#### **9.8 Social Media for Investigations Policy**

- The policy was presented to the Committee in July 2020;
- A review of the policy has taken place to ensure that it remains fit for purpose;
- Web links have been updated to ensure that they remain valid.

#### **9.9 Whistleblowing policy**

- The provisions for whistleblowing were previously incorporated in the Anti-Fraud and Corruption Strategy. However, in line with good practice, provisions for whistleblowing has now been included in a separate policy.

### **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)

**Appendix B:** Anti-Fraud and Corruption Strategy

**Appendix C:** Anti-Bribery Policy

**Appendix D:** Money Laundering and the Proceeds of Crime Policy

**Appendix E:** Corporate Prosecutions, Sanctions and Redress Policy

**Appendix F:** RIPA Corporate Authorisation Policy

**Appendix G:** Social Media for Investigations Policy

**Appendix H:** Whistleblowing Policy

**REPORT ENDS**