

# ***Supplementary Committee Agenda***



**Epping Forest  
District Council**

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## ***Audit & Governance Committee Monday, 27th June, 2022***

**Place:** Council Chamber - Civic Offices

**Time:** 7.00 pm

**Democratic Services:** Laura Kirman  
Tel: 01992 564243 Email:  
democraticservices@eppingforestdc.gov.uk

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- 10. CORPORATE FRAUD STRATEGY FOR 2022/23 (Pages 3 - 18)**  
(Chief Internal Auditor) To consider the attached report. Report now attached.
- 11. CORPORATE FRAUD TEAM ANNUAL SUMMARY 2021/22. (Pages 19 - 32)**  
(Chief Internal Auditor) To note the attached report. Report now attached.

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## **Report to the Audit and Governance Committee**

**Report reference:**  
**Date of meeting: 27 June 2022**



**Epping Forest  
District Council**

**Portfolio:** Leader of the Council  
**Subject:** Corporate Fraud Team Plan 2022 / 2023  
**Responsible Officer:** Sarah Marsh (01992 564446).  
**Democratic Services:** L Kirman

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### **Recommendations/Decisions Required:**

**The Corporate Fraud Team Plan for 2022 / 23 be approved.**

### **Executive Summary:**

This report sets out to members the focus and approach of the Corporate Fraud Team for the year 2022 / 23

### **Reasons for Proposed Decision:**

To approve the Corporate Fraud Team's Plan for 2022 / 23 as the Audit and Governance Committee has a role in ensuring anti-fraud arrangements are in place as per their Terms of Reference.

### **Other Options for Action:**

None

### **Report:**

#### **Introduction**

1. The Corporate Fraud Team brings a uniform approach to fraud investigation work within EFDC, ensuring the Council has adequate resources dedicated to anti-fraud activity.
2. This strategy summarises the key principles for the Corporate Fraud Team (CFT) for the forthcoming 2022 / 23 period along with some longer term aims.
3. The Corporate Fraud Team sits alongside the Internal Audit team and therefore both together supports and contributes to the achievement of the Council's 2018-23 strategic aims. These have been considered when developing the Corporate Fraud

Strategy and Plan being:

- To ensure there is efficient use of Council resources which is protected from fraud, abuse and corruption
- To contribute to the commitment of financial independence and keeping Council Tax low by preventing and detecting frauds which deliberately target and affect the Council's tax base
- To ensure that the Council adopts a culture of innovation which is not compromised by fraud.

### **Purpose**

4. The purpose of the Corporate Fraud Team Plan is to document the Corporate Fraud Team's approach to:
  - Provide independent and professional investigations into all aspects of fraud affecting the Council and third parties such as commercial partnerships etc. preventing fraud and abuse and taking fair and consistent action against those committing offences.
  - Supporting the Council's anti-fraud culture and framework.
  - Deliver a corporate anti-fraud service that is innovative, professional and compliant with the relevant legislation.

### **Preface**

This strategy is indicative of the CFT's priorities for the forthcoming year however and can be changed or flexed as the risk profile and priorities of the Council change. This will be achieved by ongoing review and amendment in consultation with relevant officers. Any significant changes will be brought to the Audit and Governance Committee's attention.

### **The Corporate Fraud Team Approach**

This plan sets out the main focus of work that will be undertaken by the team during the period 2022 / 23. These are set out in two main groups: Proactive work, where the CFT takes on intelligence-based projects and investigations and reactive work which is usually responding to received information such as reports of suspected fraud from members of the public, staff etc.

### **Proactive Work**

- As a recognised area of high success since its inception in 2014, the process of

vetting 100% of Right to Buy Applications will continue into 2022 / 23 with the amount of financial savings this area of work generates meaning it has become a staple function for the CFT. For example, it has been found that each year since 2014, on average approximately one third of all applications are stopped / withdrawn as a result of the fraud team's involvement. This results in annual savings in this area that are usually in excess of £1.5 million taking into account the ever-increasing discount amounts.

The success in this area also results in unsold properties being retained within the Council's housing stock. Furthermore, keeping them within the housing stock means they can continue to provide significant revenue streams in the form of on-going rent payments which have been calculated to be worth approximately £1 million to the Council going forward. The regular increases in the maximum amount of discount available to tenants wishing to purchase their council properties means that the Right to Buy remains an attractive prospect to individuals who plan to abuse the system.

- In line with the strategy of reviewing other areas of high fraud risk within the Council, most notably where any fraud and / or abuse represents a significant risk to the Council's financial position, the Corporate Fraud Team plan to continue with already ongoing proactive exercises targeting Revenue. This includes areas such as Non-Domestic Rates fraud and fraud within Council Tax discounts and exemptions. Work undertaken in conjunction with the Council Tax department since 2018 has yielded good results and resulted in several cases whereby previously uncollected revenue has / is being recovered.

As a result of the work completed so far in this area, further resources are to be deployed in the forthcoming coming year with other proactive projects in the areas of Business Rates and Local Council Tax Support in order to identify and tackle cases of fraud within these schemes.

- A programme of data analysis exercises has already been commenced by the CFT and colleagues in Internal Audit. A CFT officer has undertaken a number of training courses to assist with this project. These data analysis projects are set to be undertaken on a regular basis during the forthcoming year and will focus on areas of potential fraud and abuse that may have not been looked at previously. A culture of innovation and "out of the box thinking" is to be employed in these projects with regular updates being given to the Audit and Governance Committee on their progress. The first project is focussing on Procurement fraud.
- The team will continue with the good working relationship it has with the Housing Department, which has been instrumental in forging closer working arrangements between the investigators and their housing officer colleagues when dealing with issues surrounding suspected social housing fraud. Regular meetings are now held between the Housing and CFT management and will continue into the forthcoming year culminating in the producing of a Service Level Agreement in order to foster collaborative working processes.
- The ongoing process of engaging other key stakeholders across the Council will continue in order to raise awareness and encourage the reporting of suspicions. This enables the Corporate Fraud Team to have a better understanding of the

various processes employed within each service area in order to identify potential areas of fraud risk with input into policy revisions where appropriate. This is of particular importance as the Council continues to evolve as part of the current transformation plan and the restructuring of services.

- The implementation of a rolling fraud awareness programme providing coverage not just in significant areas of expenditure such as finance, procurement and payroll but for all staff including Members and contractors. In conjunction with Human Resources, a project is underway to develop an Anti-Fraud E-Learning Module with a view to becoming part of a mandatory fraud awareness session for all new starters as part of their induction into working for the Council. It is also expected that a variation of this module to become available to Members in due course.
- Following successful involvement in one of the webcasts arranged by Housing Services, the CFT also hopes to engage further within the outside community (for example, attending meetings of resident's associations etc.) in order to promote the service and raise awareness of fraud issues affecting the Council. This was an area that was due to begin last year however due to the Covid 19 situation, no public or face to meetings have been possible. These restrictions have now been lifted and along with the proliferation and success of online video conferencing, the CFT will be actively exploring attendance at community group meetings, resident association meetings etc. with a view to forging ongoing links within the community and as a useful vehicle for undertaking the research needed for a new advertising campaigns.
- The "Know a Cheat in your Street" advertising campaign has been run successfully over the last few years and has been instrumental in heightening awareness and encourage members of the public to report fraud and abuse. This has been achieved by enclosing leaflets in the run of Council Tax / Non-Domestic Rates Bills and making use of other resources such as the EFDC website and the Council's social media presence. In order to "freshen up" and keep the campaign relevant, work is to commence (in conjunction with the Corporate Communications Team) to explore new designs and ideas with a view of rolling out a new campaign utilising such mediums as the Council's social media platforms etc.

### **Reactive Work**

- The team will review, and risk assess 100% of the referrals it receives in order to ensure efficient allocation of resources and ensure the highest risk referrals are prioritised.
- The team will be continuing with its programme of engaging with other teams within the Council in order to provide advice, training and support. The team continues to provide advice and training to staff and the team can provide tailored training packages to services. The team will also continue to publicise its work

including successful prosecutions by maintaining a policy of utilising press releases, existing mediums such as “Housing News” and the corporate website and social media platforms.

In addition to the above, the Corporate Fraud Team also plans to undertake the following areas of work in the forthcoming year:

### **National Fraud Initiative Exercise**

The NFI exercise has formed a fundamental staple of the work programme for the fraud team and will continue to be so going forward into the next year. As is usual for this exercise and in line with already established procedures, any matches that potentially involve staff will be given the highest priority closely followed by the remaining matches that are qualified and / or identified as “high risk”. The CFT will continue to work closely with their colleagues in the Housing, Revenue and Benefits and The People Team as well as other local authorities and public-sector organisations to review these data matches and undertake any resulting investigations as appropriate.

### **Explore and pursue joint working / shared service arrangements.**

- **Joint working with Harlow Council**

In Summer 2020, the CFT provided investigative resources on a paid for basis to Harlow’s Revenues section in relation to the verifying and investigation of suspected fraudulent Covid 19 Business Grant Applications. Through discussions in this area, further ad-hoc work has been received from Harlow Council in the last 12 months and it is expected at this present time that this will continue. Furthermore, due to a lack of investigative resource at Harlow, the CFT have also entered into an agreement to undertake the vetting of Harlow’s Right to Buy applications on their behalf on a paid for per-investigation basis. This service is due to go live in June 2022. The possibility of a more wider ranging shared service agreement whereby EFDC will undertake all of their social housing fraud investigations is currently being explored. Should this be taken forward, it is expected that any shared service arrangement would begin as soon as practicable.

- **Joint working with Chelmsford City Council**

The team also operates an informal joint working initiative with the anti -fraud team at Chelmsford City Council with the working relationship again focussing on the sharing of investigative resources, exploring the potential for joint proactive initiatives and providing a “peer support” service for investigators. Again, this initiative will continue into the forthcoming year and will also incorporate Chelmsford’s ability to undertake Proceeds of Crime

Investigations for EFDC where required.

### **Other areas of work**

Since 2016 the Corporate Fraud Team has utilised its skillsets by undertaking a number of different kinds of investigative work such as Disciplinary Investigations for The People Team, Standards Investigations on behalf of the Council's Monitoring Officer and a number of cases received as a result of the Council's Whistleblowing procedures. Due to the success of this, the team will continue to make itself available to take on differing and challenging types of work.

Furthermore, ongoing exploration of further opportunities to increase the team's revenue by undertaking fraud and employment related investigations for outside bodies such as other local authorities and public-sector organisations will continue thus increasing its capacity for revenue raising activities and allowing for diversification into other forms of investigation work outside of the traditional criminal area.

The team will continue to provide training and advice to external organisations and the team are constantly working to identify areas where potential exists to engage in joint working and / or shared service protocols, with such agreements giving the possibility of revenue raising opportunities.

### **Staff Development**

All members of the Corporate Fraud Team are expected to undertake a set number of hours of Continued Professional Development so that their existing knowledge and skills remain up to date and they are given an opportunity to develop new skills.

### **To promote best practice, information sharing and support to the wider anti - fraud community**

The Corporate Fraud Team continue to host the meetings of The Eastern Corporate Fraud Group, which it founded in 2016 with its on-going aim to bring together counter fraud professionals from local authorities in Essex, Suffolk and Norfolk in a meaningful forum to discuss and promote best practice, form agreements and partnerships for information sharing and offer support and resources to carry out investigations etc. Although the Covid 19 pandemic forced the group into a temporary hiatus of face to face meetings, the group continues to move forward and is now firmly established with its main focus being opportunities for cross authority working, training and information sharing. With the advent of video conferencing technology, it is now able to undertake "hybrid" meetings.

## **Longer Term Projects**

Several longer-term projects are currently continuing into 2022 / 23 and beyond. These include:

- Consultation is ongoing with The People Team (as part of the Recruitment Strategy) to look into pre-employment vetting procedures with a view to possibly developing and incorporating a more robust process. This may also lead to a training programme for recruiting managers.
- As an offshoot of the above, the CFT is also, in conjunction with Internal Audit, developing procedures around the issues of potential conflicts of interest for employees, contractors etc which will come into practice during 2022 / 23.
- As previously mentioned, collaborative work between the Corporate Fraud Team and Internal Audit into specific areas of identified risk has already begun developing and utilising data mining / matching techniques into areas that are not covered by currently used data matching tools. This is designed to be a long term project to be included as an annual part of the CFT / IA work programme(s).
- A review of documents utilised by the Council for access to its services (such as application forms etc) to ensure that they are as “fraud proof” as possible with the introduction of several application processes to be updated or initialised during the next 12 months, including the introduction of an online Tenancy Succession application form (joint project with the Neighbourhoods team) as well as some revisions to the Right to Buy documentation.

## **Resources**

The Corporate Fraud Team consists of a Corporate Fraud Team Manager and three investigators reporting to the Chief Internal Auditor. All the team are fully qualified and accredited Counter Fraud Specialists with experience of criminal investigation work across the public and private sectors.

## **Resource Implications**

None, Within the existing budgets

**Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

None

**Consultation Undertaken:**

Corporate Governance Group

**Background Papers:**

Corporate Fraud Strategy

**Risk Management:**

The occurrence of fraud may expose the Council to financial loss and the substantive risks associated with an inadequate control framework. The Corporate Fraud Team assists the Council in managing the risk of fraud both internally and externally.

**Equality Analysis:**

The Equality Act 2010 requires that the Public-Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 1 to the report.

## Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
  - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
  - advancing equality of opportunity between people who share a protected characteristic and those who do not,
  - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
  - age
  - disability
  - gender
  - gender reassignment
  - marriage/civil partnership
  - pregnancy/maternity
  - race
  - religion/belief
  - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
  - Factsheet 1: Equality Profile of the Epping Forest District
  - Factsheet 2: Sources of information about equality protected characteristics
  - Factsheet 3: Glossary of equality related terms
  - Factsheet 4: Common misunderstandings about the Equality Duty
  - Factsheet 5: Frequently asked questions
  - Factsheet 6: Reporting equality analysis to a committee or other decision making body

## Section 1: Identifying details

Your function, service area and team: **Corporate Fraud Team**

If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: **N/A**

Title of policy or decision: **Corporate Fraud Team Plan 2022/23**

Officer completing the EqIA: Tel: **01992 564170** Email: **mcrowe@eppingforestdc.gov.uk**

Date of completing the assessment: **20/06/2022**

## Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? <b>Updated Corporate Fraud Team Plan 2022/23</b>
2.2	Describe the main aims, objectives and purpose of the policy (or decision): <b>Audit and Governance Committee to approve the approach and focus for the Corporate Fraud Team in 2022/23</b>  What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? <b>N/A</b>
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> <li>• service users</li> <li>• employees</li> <li>• the wider community or groups of people, particularly where there are areas of known inequalities?</li> </ul> <b>No</b>  Will the policy or decision influence how organisations operate? <b>N/A</b>
2.4	Will the policy or decision involve substantial changes in resources? <b>No</b>
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? <b>N/A</b>

### Section 3: Evidence/data about the user population and consultation<sup>1</sup>

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? <b>N/A</b>
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? <b>N/A</b>
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: <b>N/A</b>

## Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

<b>Section 5: Conclusion</b>			
		<b>Tick Yes/No as appropriate</b>	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' <b>YES</b> ', use the action plan at <b>Section 6</b> to describe the adverse impacts and what mitigating actions you could put in place.

## Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

**Section 7: Sign off**

**I confirm that this initial analysis has been completed appropriately.  
(A typed signature is sufficient.)**

Signature of Head of Service: Sarah Marsh

Date: 20/06/2022

Signature of person completing the EqlA: Martin Crowe

Date: 20/06/2022

**Advice**

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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## **Report to the Audit and Governance Committee**

**Report reference:**  
**Date of meeting: 27 June 2022**



**Epping Forest  
District Council**

**Portfolio:** Leader of the Council  
**Subject:** Corporate Fraud Team Annual Summary for 2021 / 22  
**Responsible Officer:** Sarah Marsh (01992 564446).  
**Democratic Services:** L Kirman

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### **Recommendations/Decisions Required:**

**That the Corporate Fraud Team Annual Summary for 2021/22 be noted.**

### **Executive Summary:**

This report summarises the key achievements of the Corporate Fraud Team for the year 2021/22

### **Reasons for Proposed Decision:**

To note the Corporate Fraud Team Annual Summary for 2021/22

## **Other Options for Action:**

No other options.

## **Introduction**

The Corporate Fraud Team (CFT) sits alongside the Internal Audit team and therefore both together support and contributes to the achievement of the Council's 2018-23 strategic aims. The purpose of the Corporate Fraud Team is:

- To ensure that the Council has sufficient and appropriate resources on an ongoing basis to protect the delivery of its statutory duties and discretionary services from fraud, abuse and corruption.
- To contribute to the commitment of keeping Council Tax low by preventing and detecting frauds which deliberately target and affect the Authority's tax base
- To ensure as the Council continues with its culture of innovation it is not compromised by fraud as per the 2018-23 plan.
- To provide independent and professional investigations into all aspects of fraud affecting the Council, preventing fraud and abuse and taking fair and consistent action against those committing offences.
- Support the Council's anti-fraud culture and framework.
- Deliver a corporate anti-fraud service that is innovative, professional and compliant with the relevant legislation.

## **Preface**

Since March 2020, the business operations of the Council have changed as a result of the Covid-19 pandemic and the situation remained fluid going into 2021/22. The Covid-19 pandemic affected the Corporate Fraud Team's (CFT) normal operational working practices during part of 2021/22, most significantly those relating to visiting property and premises in order to carry out enquiries, interviews etc. As a result, a number of the team's core functions had been restricted with the most notable effects being seen in our ability to conduct "contact heavy" investigations such as illegal subletting enquiries etc. Following the subsidence of the "Omicron" variant however, the team has resumed normal operations in respect of site visits and interviews, however due to the success of some revised working practices that became necessary during the pandemic, the team continues to use methods such as video conferencing applications to conduct interviews and collaboration with other departments to avoid unnecessary duplication of work.

## **General Overview of 2021/22 Activity**

During the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, 90 investigations were opened with 60 being closed. Below is a brief synopsis of the types of fraud these investigations focused on:

Investigations Opened 2021/22 by Types of Fraud:

Social Housing Fraud (All Types)	Council Tax SPD & Discounts	NDR	Council Tax Support Scheme	Internal	Council Tax (Other)	Total
73	11	2	2	1	1	90

Investigations Closed 2020/21 by Types of Fraud:

Social Housing Fraud (All Types)	Local Council Tax Support / Exemptions	Council Tax SPD & Discounts	NDR	Total
53	3	2	2	60

Success Rates:

60 investigations were closed during 2021/22. Of these, 22 were closed as a form of fraud being detected and / or proven with the most success coming in the area of Social Housing Fraud (including all Right to Buy Applications). As a percentage of case closures, these fraud proven cases account for 37% of them. This figure represents around a 6% decrease over the previous year, however the total amount of investigations opened was less than the previous period.

## **Notable Examples of Types of Fraud Investigated during 2021/22**

### **Right to Buy**

During the period 1/4/21 to 31/3/22, a total of 39 applications were received by the Home Ownership Team from tenants wishing to purchase their property under the Right to Buy Scheme. As part of the ongoing commitment to positively vet 100% of these applications, all of the applicants (bar one) were interviewed by officers of the Corporate Fraud Team.

As a result of this involvement, a total of 18 Right to Buy applications have been stopped and / or withdrawn. A number of these applications have been identified as having issues which would impact on the property purchase going ahead being tenancy related issues (suspected subletting, not utilising it as their main or principle home etc.) or significant concerns over the origin of the funding giving rise to suspicions of money laundering.

The only applicant who was not interviewed as part of this vetting process was found to live in a property that was ineligible for the Right to Buy Scheme resulting the application being rejected on these grounds.

One application was cancelled as investigations into their circumstances discovered that the applicant(s) owned other property that they had failed to declare on the relevant forms. When interviewed by CFT officers, they also gave conflicting information about their respective employments which also led to doubts over the veracity of their funding to purchase.

As a result of these applications being stopped or withdrawn, approximately £1.5 million of potential Right to Buy discount has been saved by the Council (based on the revised maximum discount amount of £87,200).

As purchases did not go ahead on the 18 EFDC properties, these properties continue to remain as valuable public assets allowing the Council to potentially utilise them at a later date to house applicants from the waiting list. Furthermore, keeping them within the housing stock means that these properties continue to provide significant revenue streams in the form of on-going rent payments which have been calculated to be worth approximately £1 million to the Council going forward.

As mentioned earlier, the pandemic has meant that for a significant period the CFT have been unable to conduct visits to applicant's homes, however in order to maintain our target of vetting all applications, the team utilised other methods such as video conferencing applications such as Zoom. This enables the team to carry out the full scope of the interview (including property inspections and "walkarounds") despite the barrier of not actually physically being there. CFT has also undertaken more in-depth financial check and background checks on applicants earlier in the process to enable the team to undertake more effective interviews; a practice that will continue going forward.

### **Tenancy Successions**

Working in conjunction with Housing Management, the Corporate Fraud Team operates a policy of undertaking enquiries on each application to succeed a tenancy (succession normally applies when a tenant dies). This is due to previous levels of fraudulent applications being high. 7 investigations were undertaken into successions during this period with 3 to be found fraudulent in some aspect. One investigation discovered that upon their death, the tenant was actually living in Norfolk and enquiries showed that they had been resident there for a number of years, including the time they had obtained a mutual exchange to occupy the property subject to the succession. This application was disallowed and legal action is pending. Another investigation led to the cancelling of an application as it was discovered that the deceased tenant's daughter gave up a secure tenancy and moved her family into her mother's council property when the tenant was ill in hospital so subsequently had not been residing at the address for the requisite time period. This case was also referred to the Council's Safeguarding Officer.

### **Illegal Sub Letting**

As mentioned earlier, due to the Covid 19 pandemic, the full and effective investigation of suspected illegal sublets has been difficult as a result of contact restrictions etc. Despite this CFT have continued to investigate these allegations as fully as possible.

The team have had a couple of notable success with sublet properties whereby the tenants had abandoned their respective properties, were living elsewhere and sublet to members of their immediate family.

The first of these investigations discovered the EFDC tenant had moved out of her property around 12 years ago to firstly go and live with their partner in Dorset and then subsequently moved to Milton Keynes and then finally settled in a village in Northamptonshire where they now own a property. A CFT officer subsequently travelled to Northamptonshire and

discovered the tenant living with their partner, child and elderly mother. The tenant was consequently interviewed under caution at the Civic Offices and due to the weight of evidence collated in the investigation, fully admitted not using their council property as their residence. At the completion of the interview, the tenant formally surrendered their tenancy and this property has now been cleared and re-let to a family on the waiting list. Further legal action is currently being considered against the tenant relating to the criminal aspects of the case.

The second case was very similar with the exception that the EFDC tenant had moved out around nine years earlier to live with a new partner in another area of Ongar, leaving their adult son to occupy the property. CFT and Housing Officers undertook a joint visit to the tenant's new address and found him permanently resident there. An interview under caution was undertaken with the tenant where again the evidence led to an admittance of illegal subletting. A formal notice to quit was issued by the Housing Department and the matter is now subject to legal proceedings.

### **Covid-19 Grant Applications**

With the continuance of grant payments being made available to the business community due to the ongoing effects of the C-19 pandemic during the 2021 / 22 period, the CFT have continued to work with their colleagues within Revenues and Internal Audit in facilitating pre-payment checks in order to ensure that grants paid out have gone to either a business or individual that was entitled to it. In some cases, the CFT have been able to utilise the specialist financial information software available to undertake checks on companies in order to assess whether they are / were still trading and therefore qualify for a grant payment. The CFT has worked closely with the Revenues Officers dealing with the grants and any suspicions they had were reported immediately to allow swift enquiries to be carried out. Due to this, the grant payment process is generally found to be resilient to fraud.

### **Internal Investigations**

During 2021/22, the CFT conducted one internal investigation to completion. This investigation revolved around a (now ex) EFDC employee possibly failing to disclose personal interests relating to an outside supplier that was involved in a project the employee was undertaking for EFDC. The investigation found that although the employee did not have anything to declare at the outset of the project, matters that should have subsequently been declared as the situation progressed were not. As a consequence, a number of recommendations were made to the service involved relating to management awareness of declaration of interests as well as the introduction and / or tightening up of the processes relating to similar projects.

### **Other work of the Corporate Fraud Team**

In addition, to the above:

- In the first part of 2021, a project was undertaken to replace the existing fraud information management system. The current software had been used for around the last 20 years and although was periodically upgraded, it was no longer supported by the manufacturer. Numerous options were explored, however a preferred system and supplier was identified and the new system was tested and subsequently installed in August 2021. Following another month of testing with the

assistance of our colleagues in ICT, the new system went live in September along with an archive system transferring some data from the outgoing software for appropriate retention purposes.

- A CFT officer has undertaken a series of specialist training courses in order for the team to start work on an ongoing data analytics project being run in conjunction with our colleagues in Internal Audit. This project has already identified areas of interest and the first data sets have already been obtained.
- The CFT have made themselves available to ICT in order to carry out retrieval action for any equipment that has not been returned by outgoing employees, contractors etc. During the period, around three interventions have been undertaken on behalf of ICT resulting in the successful return of valuable IT assets.
- The team is continuing to provide training and advice to departments within EFDC and external organisations. During the year, CFT officers have provided external training and advice to staff of other councils.
- The team are also continuing to explore all suitable joint working and potential revenue raising opportunities and have undertaken some paid investigation work for Harlow Council relating to their Covid-19 Business Grants programme. This was an extension of the work undertaken for them previously during 2020/21.
- A formal agreement has been now been put into place whereby Harlow Council will pay EFDC to undertake the vetting of their Right to Buy applications. This paid for service is expected to begin in June 2022.
- The informal joint working arrangement with the fraud section at Chelmsford City Council has continued this year and sets to continue. This is an informal arrangement relating to the sharing of anti-fraud staff and resources. Chelmsford City Council also provide Proceeds of Crime Act / Financial Investigations to the CFT as part of this arrangement.

### **Resource Implications**

None, Within the existing budgets

### **Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

None

**Consultation Undertaken:**

Corporate Governance Group

**Background Papers:**

Corporate Fraud Strategy

**Risk Management:**

The occurrence of fraud may expose the Council to financial loss and the substantive risks associated with an inadequate control framework. The Corporate Fraud Team assists the Council in managing the risk of fraud both internally and externally.

**Equality Analysis:**

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at Appendix 1 to the report.

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## Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
  - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
  - advancing equality of opportunity between people who share a protected characteristic and those who do not,
  - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
  - age
  - disability
  - gender
  - gender reassignment
  - marriage/civil partnership
  - pregnancy/maternity
  - race
  - religion/belief
  - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
  - Factsheet 1: Equality Profile of the Epping Forest District
  - Factsheet 2: Sources of information about equality protected characteristics
  - Factsheet 3: Glossary of equality related terms
  - Factsheet 4: Common misunderstandings about the Equality Duty
  - Factsheet 5: Frequently asked questions
  - Factsheet 6: Reporting equality analysis to a committee or other decision making body

<b>Section 1: Identifying details</b>
Your function, service area and team: <b>Corporate Fraud Team</b>
If you are submitting this EqIA on behalf of another function, service area or team, specify the originating function, service area or team: <b>N/A</b>
Title of policy or decision: <b>Corporate Fraud Team Annual Summary 2021-22</b>
Officer completing the EqIA: Tel: <b>01992 564170</b> Email: <b>mcrowe@eppingforestdc.gov.uk</b>
Date of completing the assessment: <b>20/06/2022</b>

<b>Section 2: Policy to be analysed</b>	
2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? <b>Updated Corporate Fraud Team Annual Summary 2021-22</b>
2.2	Describe the main aims, objectives and purpose of the policy (or decision): <b>Audit and Governance Committee to note the Corporate Fraud Team annual summary 2021/22</b>  What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? <b>N/A</b>
2.3	Does or will the policy or decision affect: <ul style="list-style-type: none"> <li>• service users</li> <li>• employees</li> <li>• the wider community or groups of people, particularly where there are areas of known inequalities?</li> </ul> <b>No</b>  Will the policy or decision influence how organisations operate? <b>N/A</b>
2.4	Will the policy or decision involve substantial changes in resources? <b>No</b>
2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? <b>N/A</b>

### Section 3: Evidence/data about the user population and consultation<sup>1</sup>

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? <b>N/A</b>
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? <b>N/A</b>
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: <b>N/A</b>

## Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A

<b>Section 5: Conclusion</b>			
		<b>Tick Yes/No as appropriate</b>	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No ✓	
		Yes <input type="checkbox"/>	If ' <b>YES</b> ', use the action plan at <b>Section 6</b> to describe the adverse impacts and what mitigating actions you could put in place.

**Section 7: Sign off**

**I confirm that this initial analysis has been completed appropriately.  
(A typed signature is sufficient.)**

Signature of Head of Service: Sarah Marsh

Date: 20/06/2022

Signature of person completing the EqlA: Martin Crowe

Date: 20/06/2022

**Advice**

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.