

Bridgend County Borough Council Fraud Risk Register (April 2021)

No.	Internal/ External Risk	Area	There is a risk that ..	Consequences of risk	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Last Reviewed	Next Review
1	External	Housing Benefit / Council Tax Reduction	A claimant makes a claim based on information known to be inaccurate or fails to inform the council about a change in circumstance that would reduce the award.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and liaising with police and lawyers Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator based within Benefits Department Established procedure for referring cases to fraud both internally and externally from members of the public Reviews conducted on active claims to identify any undeclared changes Joint working with Department for Work and Pensions Single Fraud Investigation Service business as usual Fraud Prevention E-Learning module rolled out across the council for employees and members Use of the media to publicise prosecutions to raise awareness that fraud will not be tolerated Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud. In addition fraud awareness also forms part of the induction process for all new benefits staff Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Participation in The National Fraud Initiative (NFI) Any system weaknesses identified during investigation are considered and remedied if necessary. Feedback is also provided to the Benefits team so they can further 'fraud proof' the system 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative Targeted reviews on known areas of fraud e.g. capital and occupational pension reviews Develop specific fraud awareness training for benefit staff, customer service staff and those on the front line receiving benefit claims e.g. customer services staff Update main council website and internal staff intranet with clear information on how to report suspected fraud and also other useful fraud information Develop fraud newsletter for circulation across the council to raise awareness of the work conducted within the fraud team and also communicate fraud alerts Ensure all suspected cases of fraudulent activity are referred to the fraud investigator by benefit staff 	Apr-2021	Apr-2022
2	External	Council Tax Single Person Discount (SPD) /Other Council Tax Discounts	A claimant claims a discount when more than one person actually lives in the household, falsely claims to be a student or claims a property is empty and unfurnished.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and any litigation action that may follow Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Revenues team regularly conduct reviews of all single person discounts in effect on accounts to ensure claim is still valid Use of 'end dates' on time limited discounts so discount is not allowed to continue Spot checks by visiting officer on properties claiming empty and unfurnished discounts Use of council tax visiting officer on any claims suspected to be false Review of student discounts at key points during academic year Council tax debt and recovery including attachment of earnings, attachment of benefits and enforcement agents Claim verification by Revenues Team Fraud Prevention E-Learning module rolled out across the council for employees and members National Fraud Initiative (NFI) data match on SPD claims on a yearly basis Various verification checks made via credit reference agencies and other external sources when new claims for SPD are made Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales 	<ul style="list-style-type: none"> Utilise internal and external data matching products, especially matches provided to us through NFI Ensure all suspected cases of fraudulent activity are referred to the fraud investigator by council tax staff Increased recovery of any SPD and other discounts wrongly claimed Update main council website and internal staff intranet with clear information on how to report suspected fraud and also other useful fraud information Develop fraud newsletter for circulation across the council to raise awareness of the work conducted within the fraud team and also communicate fraud alerts Develop specific fraud awareness training for council tax staff 	Apr-2021	Apr-2022
3	External & Internal	Cyber Fraud	The use of technology specifically is used to take advantage of system weaknesses for gain. This could include ransomware / malware attacks, hacking or use of council systems to test stolen account details ("checker fraud"). Staff / clients could fall victim to scams and frauds, including: executive impersonation, advanced fee and funds transfer. It could also include "cyber-enabled" frauds (i.e. use of the internet to commit fraud).Remote working can increase risk leaving users more vulnerable to fraudulent attacks. This is due to reduced checks.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and any litigation action that may follow Adverse effect on council budget Potential loss of service affecting different areas across the council Potential data protection/GDPR breaches 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales ICT software with relevant safeguards to prevent cyber attacks on the council ICT Code of Practice 'Six Simple Rules' to help prevent loss of data and security breaches Known threats communicated across the council to all users to raise awareness Procurement process for any new software used by ICT to mitigate risk. Segregation of duties in place when paying suppliers Software patching regularly undertaken and regular audits on the network for exploits USB ports disabled for external storage devices to prevent loss of data The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales 	<ul style="list-style-type: none"> Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Staff in areas of the council more susceptible to cyber attacks e.g. finance payments, provided with targeted training on known attacks ICT team continue to provide and conduct regular, preferably continuous, assessments of configuration and vulnerability risk across all council IT systems Ensure software and systems and regularly checked for necessary patching and upgrades Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator or the Police where necessary Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

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4	External	Direct Payments	A recipient falsely claims Direct Payments, e.g. by misrepresenting their care needs or failing to disclose receipt of other benefits. There is also a risk of abuse of position by personal assistants, carers or parents, leading to monies not being spent for the recipient's benefit. There is an additional risk that a family member misuses the direct payments meant for the person they are caring for and becomes dependant on the income	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues Client detriment for those in need Potential costs arising from any necessary litigation 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Direct payments protocol and guidance documents in place. The council has a contract in place with a direct payments support organisation who offer support to direct payment recipients by providing a fully comprehensive payroll service in accordance with HMRC regulations Direct payments bank accounts are monitored and reconciled to ensure that the money is being used appropriately The use of contract monitoring officers to ensure payments are made for services that were delivered Participation in The National Fraud Initiative (NFI) Social workers are used to assess the needs of the person requiring care 	<ul style="list-style-type: none"> Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
5	External & Internal	Procurement fraud	There are activities including price-fixing, bid-rigging and cover pricing, to maximise profit margins or share out contracts. In addition this risk also overlaps with bribery and corruption internal risks. There is a risk that claims are made to defraud the council by claiming payment for goods / services not provided; delivering goods / services of substandard quality; overpricing or duplicate invoicing.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues Sub-standard work delivery Potential costs arising from any necessary litigation Lack of public confidence Detrimental effect on staff morale 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Contract procedure rules in place in relation to the procurement of goods and services as well as various procedure notes The Employee Code of Conduct includes guidance in respect of employee relationships with contractors, corruption and gifts and hospitality Robust declaration of interest policy in place Participation in The National Fraud Initiative (NFI) External training received from The Regional Organised Crime Unit to raise awareness and further training planned 	<ul style="list-style-type: none"> Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator or the Police where necessary Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported Review current fraud awareness systems and implement all guidance in line with Welsh Audit guidance and focus on seven key themes:- <ol style="list-style-type: none"> Leadership and culture Risk management and control framework Policies and training Capacity and expertise Tools and data Collaboration Reporting and scrutiny 	Apr-2021	Apr-2022
6	External	National Non-domestic rates	A business makes a claim for rate relief based on false information, e.g.. stating that a property is no longer in use; not declaring the location of a business or falsely claiming relief, e.g. by claiming to be occupied by a charity; intermittent occupation or the use of "phoenix companies to avoid liability (although not technically illegal)	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Current financial regulations Business rates debt and recovery including attachment of earnings, attachment of benefits, enforcement agents and charging orders Claim verification by Revenues Team Monitoring of usage available payment information Use of council tax visiting officer including spot checks on suspect properties 	<ul style="list-style-type: none"> Ensure all relevant policies and regulations are up to date and fit for purpose Consider the sharing of more data between councils, making use of new technologies to ensure that suspicious activity can be easily identified, utilising aspects of the Digital Economy Act 2017 to disrupt and detect fraud Highlight the specific risks involving NNDR fraud on council website. The website could also support a public fraud reporting system making clear how and to who fraud should be reported The council's fraud investigator could deliver ad-hoc awareness presentations as and when required to business rates staff Maximise the use of data analytics and data matching to match electronic data to detect and prevent fraud Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator Increased recovery of any business rates relief/discounts wrongly claimed 	Apr-2021	Apr-2022
7	Internal	Internal Fraud by Officers and Members	Officers or Members may abuse their position for private gain or misuse council assets for personal gain, including: computer hardware and software; plant, machinery and equipment and intellectual property. Theft of cash or portable items belonging to the Council, employees or Members. Receipt of financial or other rewards as an inducement to perform their duties improperly or seek to influence a decision-maker. Also a risk of failing to declare an interest in a company or organisation	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and liaising with police and lawyers Potential court costs which have impact on council budget Adverse effect on council budget Lack of public confidence 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council's constitution includes governance arrangements including financial rules and conduct protocols for both members and employees Policies, procedures and reporting mechanisms are in place to prevent, detect and report on fraud, bribery and corruption, these include:- <ol style="list-style-type: none"> Fraud strategy and framework Whistleblowing Policy ICT Code of Conduct Anti-Fraud and Bribery Policy Anti-Tax Evasion Policy Disciplinary Policy External training received from The Regional Organised Crime Unit to raise awareness and further training planned 	<ul style="list-style-type: none"> Officers and Members to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Production of information where necessary e.g. internet usage, pay and expenses claims, purchase card usage, phone usage etc. Consider an enhanced vetting process for officer and senior management level applicants Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator or the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose The council's fraud investigator could deliver ad-hoc awareness presentations as and when required to relevant staff/members Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

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8	Internal	Client finances	The management of client's finances, where clients lack capacity, are fraudulently managed. This covers appointeeship, court of protection and any other management of client's funds	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Lack of public confidence Client detriment 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council's constitution includes governance arrangements including financial rules and conduct protocols Policies, procedures and reporting mechanisms are in place to prevent, detect and report on fraud, bribery and corruption 	<ul style="list-style-type: none"> Officers to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
9	External	Election fraud	There is voter registration fraud; impersonation (at polling stations); phishing and hacking, denial of service and ransomware (particularly at the time of an election).	<ul style="list-style-type: none"> Reputational damage to the council Lack of public confidence GDPR/Data Protection Breach 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Policies, procedures and reporting mechanisms are in place to prevent, detect and report on fraud, bribery and corruption to include:- <ul style="list-style-type: none"> ① Anti-Fraud and Bribery Policy ② ICT Code of Conduct ③ Whistleblowing Policy ④ GDPR Policy and Procedures Participation in The National Fraud Initiative (NFI) where annual matches are produced 	<ul style="list-style-type: none"> Officers to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
10	Internal	Cash handling	Theft or false accounting occurs with officers responsible for handling cash, either as income or expenditure (e.g. petty cash). This could include accounting for cash (and other income), security and banking.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and liaising with police and lawyers Potential court costs which have impact on council budget Adverse effect on council budget Lack of public confidence 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council has a number of controls in place to reduce the risk of theft or facilitation of tax evasion in respect of cash transactions including financial procedure rules. Policies, procedures and reporting mechanisms are also in place to prevent, detect and report on fraud, bribery and corruption The council's constitution includes governance arrangements including financial rules and conduct protocols for both members and employees Additional controls in place to ensure safety of cash as it progresses internally to the point of collection by external secure cash collection service providers All metric car parking machines can be interrogated from the back office system to establish which machines need emptying. Two officers are allocated for collection and dual supervision is in place when counting monies. The system supporting metric car parking also has functionality which can identify any discrepancies very early on so checks can be made on machines to minimise and protect potential financial losses Newer car parking machines have card payment facilities as a result of coin usage falling. Additionally most car parks have a paybyphone system in place Receipt of cash is supported by full audit trail and coins bagged in readiness for collection by external secure cash collection service provider are reconciled back to receipts Cash collected is signed for by the cash collection courier before onward travel 	<ul style="list-style-type: none"> Officers to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

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11	External & Internal	Organised crime / money laundering	Council systems are used to launder money or there is abuse of council services and they are used by organised crime gangs, e.g. sham marriages. Also there is a risk that properties are used within the town as fronts for illegal activity (illicit tobacco / alcohol, money laundering).	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Lack of public confidence The council inadvertently or otherwise becomes involved in money laundering or terrorist financing Loss in working time in investigating and correcting issues and liaising with police and lawyers Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council's constitution includes governance arrangements including financial rules and conduct protocols for both members and employees Policies, procedures and reporting mechanisms in place to include:- <ul style="list-style-type: none"> ① Anti Money-Laundering Policy ② Money Laundering Reporting Officer in place ③ Anti-Fraud and Bribery Policy ④ Whistleblowing Policy ⑤ Anti-Tax Evasion Policy External training received from Regional Organised Crime Unit to raise awareness and further training planned 	<ul style="list-style-type: none"> Officers to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
12	Internal	Schools	Although the majority of schools frauds are covered elsewhere in the register (e.g. payroll, staffing, cash handling), nationally schools are the largest source of internal referrals. The delegated nature of their budgets also requires a specific counter fraud response. Currently a 90 million pound budget covers 59 different schools which each pound spent decided by the school themselves	<ul style="list-style-type: none"> Financial loss to the council and/or school Reputational damage to the council and/or school Lack of public confidence Loss in working time in investigating and correcting issues and liaising with police and lawyers Potential court costs which have impact on council budget Adverse effect on council budget Adverse effect on pupils Parental concerns Staff morale 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Governing bodies have to have policies, procedures and reporting mechanisms in place for school staff, parents and guardians Performance and Financial Monitoring Board meet once a month to go through each schools budget 'line by line' to ensure money is spent correctly and no fraud exists Estyn approval of effectiveness of current systems in place 	<ul style="list-style-type: none"> School staff to be reminded at regular intervals of their expected conduct and where to access the relevant policies and procedures Increased awareness, support and training for all school staff to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available to schools with clear guidance on how and to who fraud should be reported A 'Fraud Health Check' conducted across all school establishments to attain assurance over the controls and governance in place to mitigate the potential for fraud 	Apr-2021	Apr-2022
13	External	Insurance fraud	Bogus claims are made with serial claimants across authorities. Also organised "crash for cash" or "slip and trip" frauds and any insurance claim that is proved to be false, made against the organisation or the organisations insurers.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Increased insurance premiums Any claim will ultimately have to be paid for from Council resources. The cost of processing unsuccessful claims is a drain on staff time and diverts resources from front line services Loss in working time in investigating and correcting issues Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council only deal with claims with a value under £1,000 - personal injury claims, motor claims and claims that over £1,000 are sent directly to the insurers who conduct more in depth fraud checks and utilise 'Net Watch' Segregation of duties in place when processing claims, if staff member has personal knowledge of claimant they 'step away'. Conflict of interest policy and procedure in place Use of 'Claim File Fraud Check' when processing claims - this is a tick list to ensure all relevant checks and process are followed before claims are paid Tender process used to choose the council's insurer placed a large amount of emphasis on the insurers skill and abilities in fraud investigation Insurance procedure rules in place and all documents received in support of a claim are thoroughly vetted Robust and comprehensive data base used to record claims made to the council. This data base can be used to flag previous claims and duplicate claims etc. Ability to search by NINO, Postcode, DOB. All new claims compared with database for any matches or relevant information. 	<ul style="list-style-type: none"> Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

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14	External	Blue badges	Abuse of the scheme occurs, including an individual using a badge holders badge when the badge holder is not part of the journey or continues to use it or applies for a new badge after the badge holder's death. Also the use of counterfeit badges or applications for a blue badge using inaccurate information or failing to report a change	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and any litigation action that may follow Potential court costs which have impact on council budget Fraudulent use prevents people in genuine need parking where they need it most Cost to public purse through loss of funds for the council in lost parking charges and residents parking permits Lack of public confidence 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Established procedure for referring cases to fraud both internally and externally from members of the public Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim or reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Fraud drive conducted in the Summer of 2019 across the borough to raise awareness with the public that fraud in this area will not be tolerated and also to target the fraud being committed Use of the media to publicise prosecutions to raise awareness that fraud will not be tolerated - recent fraud drive publicised in local media and also publicised in 'Parking News' which has a UK wide distribution Participation in The National Fraud Initiative (NFI) The council is a member of the Blue Badge Working Group, organised and run by the Welsh Government where best practice is shared amongst other Local Authorities in Wales Any system weaknesses identified during investigation are considered and remedied if necessary. Feedback is also provided to the Benefits team so they can further 'fraud proof' the system 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative Develop specific fraud awareness training for customer service staff and those on the front line dealing with blue badge applications and renewals Update main council website and internal staff intranet with clear information on how to report suspected fraud and also other useful fraud information Develop fraud newsletter for circulation across the council to raise awareness of the work conducted within the fraud team and also communicate fraud alerts Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all suspected cases of fraud are referred to the fraud investigator Further training for CEO's working across the borough to allow them to spot more cases of potential fraud to be referred to the fraud investigator and maximise results Further fraud drives planned to raise further awareness within the borough and promote the message that blue badge fraud will not be tolerated 	Apr-2021	Apr-2022
15	Internal	Payment to suppliers(including payment by Purchasing Cards)	There is misuse of procurement cards, creation of bogus suppliers / invoices. Offences include fraud by abuse of position, false accounting and corruption.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and any litigation action that may follow Lack of public confidence Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim or reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales The council has a number of controls in place to reduce the risk and prevent fraud, including managing all supplier creation at a central point, a verification process for changing supplier bank details and an online authorisation of invoices All supplier transactions must be supported by a relevant invoice / documentation and independently signed off as approved to pay For payments over a certain financial value there is an additional tier of authorisation before payment is processed Financial Procedure Rules apply to all payments made by Corporate Purchasing Cards which should mitigate the risk of fraud and error Planned Internal Audit reviews of payments ensure that procedures are in place and are being followed The council's constitution includes governance arrangements including financial rules and conduct protocols for both members and employees External training received from The Regional Organised Crime Unit to raise awareness and further training planned Use of the media to publicise prosecutions to raise awareness that fraud will not be tolerated - a recent investigation and prosecution surrounding fraudulent misuse of a purchasing card was published in the media 	<ul style="list-style-type: none"> Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
16	Internal	Employment/Payroll	There are submissions of claims for duties not carried out; inflation of expenses claims; claiming sick pay when fit to work and failing to work contracted hours. Also the creation of ghost employees and generating payments and false overtime claims. Offences include fraud by false representation, failure to disclose information and false accounting.	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Loss in working time in investigating and correcting issues and any litigation action that may follow Lack of public confidence Staff morale 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim or reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Participation in The National Fraud Initiative (NFI) and the use of data analytics to identify any cases of suspected fraud The council has in place an employee Whistleblowing Policy, Disciplinary Policy, Anti-Fraud and Bribery Policy and Employee Code of Conduct DBS checks conducted on employees working in certain areas where it is needed All new employees have their qualification documents fully checked and references are requested in respect of them Timesheets, expenses claims, sickness absence claims and leave cards are signed by managers The council's constitution includes governance arrangements including financial rules and conduct protocols for employees 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

No.	Internal/ External Risk	Area	There is a risk that ..	Consequences of risk	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Last Reviewed	Next Review
17	External	Grants	Grant payments are obtained from the Council under false pretences or that grants are claimed from different sources for the same purpose or that the recipient fails to deliver outputs stated in the grant conditions. In addition there is a risk of bogus companies or individuals making a claim perpetrating to be someone else. This also overlaps with the internal risk of corruption. There is additional risk where there is a requirement to process and pay grants at speed where sufficient checks may not be completed	<ul style="list-style-type: none"> Financial loss to the council Reputational damage to the council Lack of public confidence Failure to support genuine need Loss in working time in investigating and correcting issues Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Participation in The National Fraud Initiative (NFI) and the use of data analytics to identify any cases of suspected fraud Specific data match released via The National Fraud Initiative (NFI) to deal with Covid-19 grants paid The council has a number of controls in place including a robust process in relation to the financial management of grants via its grant procedure rules Strong segregation of duties process in place when dealing with grants as well as sufficient due diligence and financial procedure rules which assist in mitigating the risk of collusion Any 'means tested' grants have robust financial checks in place In the case of Disabled Facilities Grants (DSG) a declaration is signed by the owner of the property to confirm ownership - verification is conducted with Land Registry and charges placed on the property where applicable The balance between speed and due diligence/verification correctly set 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative including the new and specific Covid-19 data matches Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
18	External	Licensing	There is an abuse of a license (e.g. assigning to someone else) or claiming benefits / council tax reduction while working or having no right to work in this country. There are also links to organised crime. There is also a risk of a fraudulent application for a taxi license where an applicant does not declare a relevant fact or fails to declare a change posing a potential risk to the public	<ul style="list-style-type: none"> Loss of revenue for the council Reputational damage to the council Lack of public confidence Staff morale Loss in working time in investigating and correcting issues Potential court costs which have impact on council budget Adverse effect on council budget 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales Participation in The National Fraud Initiative (NFI) and the use of data analytics to identify any cases of suspected fraud Applicants applying for a license are required to hold a Disclosure and Barring Service (DBS) certificate before their application is approved Driving Licenses of applicants are verified independently and all documents provided in support of an application are checked thoroughly The Licensing department follows all policies and procedures in place 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022
19	Internal	Recruitment	Applicants submit bogus qualifications or references or have no right to work or fail to disclose income for benefit purposes. There is also a risk of offences which could include fraud by false representation or failure to disclose information.	<ul style="list-style-type: none"> Reputational damage to the council Lack of public confidence Staff morale Loss in working time in investigating and correcting issues 	<ul style="list-style-type: none"> Trained and qualified fraud investigator available for investigation of any cases of suspected fraud Fraud Prevention E-Learning module rolled out across the council for employees and members Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speakers The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales E-Recruitment portal in use across the council to manage all recruitment functions Policies, procedures and reporting mechanisms are in place to prevent, detect and report on fraud, bribery and corruption to include:- <ul style="list-style-type: none"> ① Safer Recruitment Policy ② Disclosure and Barring Policy 2015 ③ Recruitment and Selection Policy - Corporate Standards ④ Anti-Fraud and Bribery Policy ⑤ Whistleblowing Policy Participation in The National Fraud Initiative (NFI) and the use of data analytics to identify any cases of suspected fraud 	<ul style="list-style-type: none"> Maximise use of data analytics and data matching to match electronic data to detect and prevent fraud Maximise the use of The National Fraud Initiative Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary Ensure all relevant policies and regulations are up to date and fit for purpose Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022

No.	Internal/ External Risk	Area	There is a risk that ..	Consequences of risk	How is the council addressing this risk	Key actions to be established - NB business as usual activity not reflected here	Last Reviewed	Next Review
20	Internal	False Applications	There is a risk that the council is supplied with false documentation in support of applications/registrations in respect of services provided e.g. declaration of intention to marry from persons subject to immigration control, applications for housing and planning applications	<ul style="list-style-type: none"> •Reputational damage to the council •Lack of public confidence •Loss in working time in investigating and correcting issues • Failure to support genuine need 	<ul style="list-style-type: none"> •Trained and qualified fraud investigator available for investigation of any cases of suspected fraud •Fraud Prevention E-Learning module rolled out across the council for employees and members •Fraud prevention awareness is included in all corporate inductions going forward with the aim of reducing the instances of fraud by raising awareness and builds on the culture of zero tolerance towards fraud •Strong internal audit team in place with an Audit Client Manager experienced and qualified in all aspects of fraud including internal investigations. Internal Audit is part of regional service so knowledge and expertise can be shared across authorities •Membership of Wales wide network of Local Authority Fraud Investigators and The National Anti Fraud Network which provides the opportunity to share knowledge/intelligence/good practice. Membership also provides ability to share training and invite special guest speaker •The council has links to The Chartered Institute of Public Finance and Accountancy (CIPFA) and has constructive dialog with Audit Wales •The council's constitution includes governance arrangements including financial rules and conduct protocols for both members and employees •Policies, procedures and reporting mechanisms in place to include:- <ul style="list-style-type: none"> ①Anti Money-Laundering Policy ②Money Laundering Reporting Officer in place ③Anti-Fraud and Bribery Policy ④Whistleblowing Policy ⑤Anti-Tax Evasion Policy •Relevant documents requested and verified by staff with robust checks in place to ensure they are genuine. This includes the necessary identification documents •Thorough needs assessment undertaken in respect of homeless applications and declarations signed by applicants 	<ul style="list-style-type: none"> •Increased awareness, support and training for all officers to understand and apply a strong counter fraud culture and display good governance •Ensure all cases of suspected fraud are referred to the councils Internal Audit section or Fraud Investigator and the Police where necessary •Ensure all relevant policies and regulations are up to date and fit for purpose •Fraud information to be made available on internal and external webpage with clear guidance on how and to who fraud should be reported 	Apr-2021	Apr-2022