

## Appendix C- Fraud Risk Assessment - 2015/16

Under the 'Identify risks' principle of the CIPFA Code of Practice on Counter Fraud (2014) there are recommendations that fraud risks are routinely considered as part of the organisation's risk management arrangements and that the organisation identifies the risks of bribery and corruption and the importance of behaving with integrity in its governance framework.

#	Area	Impact	Likelihood	Risk Score
<b>COMMON FRAUD AREAS (EXCLUDING NFI)</b>				
1	Members' Allowances / Expenses	3	1	3
2	Council Tax Discount / Local Council Tax Support	2	2	4
3	Business Rate Fraud	2	2	4
4	Procurement - From initial need development through to contract award	5	2	10
5	Procurement - Contract Management Fraud - Supplier manipulating its contract with the council for financial gain- i.e. duplicate payments, inaccurate payments, claims for additional work etc.	3	3	9
6	Procurement Cards	1	3	3
7	Economic and Voluntary Sector Support Fraud / Grant Fraud	2	1	2
8	Employee Fraud - Allowances & Expenses	3	3	9
9	Employee Fraud - Recruitment	2	2	4
10	Employee Fraud - Ghost Employees	2	1	2
11	Creditor Fraud - False Payments	2	3	6
12	Mandate Fraud	3	5	15
13	Schools - LA Maintained	2	5	10
14	Residential and Non-Residential Adult Social Care - Deprivation of Income	3	5	15
15	Adult Social Care - Abuse of Service Users' Funds, Property etc.	3	3	9
16	Adult Social Care - Personal Budgets	2	5	10
<b>NATIONAL FRAUD INITIATIVE (NFI) RELATED FRAUD AREAS</b>				
17	Pension Fraud - died but still being paid - <i>NFI Report 52</i>	2	1	2
18	Pension Fraud - pensioner reemployed - <i>NFI Reports 54, 55, 78</i>	1	1	1
19	Employee Fraud - abuse / misuse of time and resources - <i>NFI Reports 65, 66, 68</i>	1	3	3
20	Employee Fraud - no entitlement to work in the UK - <i>NFI Reports 70, 73</i>	2	3	6
21	Employee / Procurement Fraud - improper employee / supplier relationship - <i>NFI Reports 80,</i>	2	3	6
22	Blue Badge Misuse - <i>NFI Reports 170, 172</i>	2	3	6
23	Concessionary Travel <i>NFI Report 172</i>	1	3	3
24	Residential Care - <i>continuing to pay care home fees etc. after a SU dies - NFI Report 173</i>	1	2	2
25	Insurance Claimants - <i>NFI Report 180</i>	1	5	5
26	Creditors - duplicate payments - <i>NFI Reports 700-703, 707-713</i>	3	2	6
27	VAT Overpayment - <i>NFI Report 709</i>	1	1	1
<b>FRAUD - OTHER - CASH &amp; ASSETS</b>				
28	Foodcourt - Cash & Stock	1	3	3
29	Libraries - Cash & Assets	1	3	3
30	Museums - Cash & Assets	2	3	6
31	Registration Service - Cash & Assets (incl. risk of identity theft)	3	1	3
32	Registration Service - Public Protection & Counter Fraud Issues, e.g. misinformation to obtain welfare/benefits, identity theft, sham marriages	3	4	12
33	Beaumanor Hall - Cash and Stock	1	2	2
34	Country Parks - Cash and Assets	1	1	1
35	Adult Learning Service - Cash	2	4	8
36	Leicestershire Highways - MOTs - Cash, fraudulent use of certificates etc.	1	2	2
37	Leicestershire Highways - Stores, Plant etc.	4	4	16
38	Central Print Service - Cash & Assets	1	1	1
39	Integrated Passenger Transport Unit - Misuse of Assets, e.g. vehicles	2	2	4
40	Misappropriation of Surplus Assets, e.g. furniture, ICT	1	2	2
41	Imprest Accounts / IRSs	1	3	3

#	Area	Impact	Likelihood	Risk Score
42	Money Laundering Activity	2	2	4
	<b>E-FRAUD</b>			
43	Cyber Fraud	3	3	9
	<b>BRIBERY &amp; CORRUPTION</b>			
44	From a prospective contractor to influence the outcome of a procurement exercise	5	1	5
45	From a member of the public in return for priority over fostering and adoption approvals	4	1	4
46	From a businesses or 'rogue traders' in return for not investigating trading standards complaints or not investigating offences/not instituting legal proceedings	3	1	3
47	From a parent in return for the allocation of a school place which they are otherwise not entitled to	3	1	3
48	Bribing an external assessment agency (e.g. OfSTED, CQC) to issue a positive report when this otherwise wouldn't be the case	4	1	4
49	Bribery with regard to matters concerning investments	4	1	4
50	Bribing an elected member, e.g. development & planning decisions	4	1	4