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.

| COMMON FRAUD AREAS (EXCLUDING NFI) | <u>#</u> | <u>Area</u> | <u>Impact</u> | <u>Likelihood</u> | Risk Score |
|---|----------|---|---------------|-------------------|------------|
| 2 2 4 | | COMMON FRAUD AREAS (EXCLUDING NFI) | | | |
| 2 2 4 | 1 | Mambars' Allawaness / Evnances | 2 | 1 | 2 |
| 3 Susiness Rate Fraud 2 2 2 4 | | | | | |
| 4 Procurement - From initial need development through to contract award 5 2 10 | | | | | |
| 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. | | | | _ | - |
| 2 | 4 | | 5 | 2 | 10 |
| Frozurement Cards | 5 | council for financial gain- i.e. duplicate payments, inaccurate payments, claims for | 3 | 3 | 9 |
| 7 | - | | 1 | 2 | 2 |
| 8 Employee Fraud - Allowances & Expenses 3 3 4 9 Employee Fraud - Grost Employees 2 1 2 2 4 0 Employee Fraud - Grost Employees 2 1 2 3 6 12 Mandate Fraud 3 5 15 5 15 5 15 5 15 5 15 5 15 5 15 5 15 5 15 5 15 5 10 18 8 15 5 10 10 18 8 15 5 10 <td< td=""><td></td><td></td><td></td><td></td><td></td></td<> | | | | | |
| 9 | | | | | _ |
| 10 | | | | | _ |
| 11 Creditor Fraud - False Payments 2 3 6 | | | | 2 | · |
| 12 | | | | 2 | _ |
| 13 Schools - LA Maintained | | | | | |
| 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 NATIONAL FRAUD INITIATIVE (NFI) RELATED FRAUD AREAS 17 Pension Fraud - died but still being paid - NFI Reports 52 2 1 2 18 Pension Fraud - pensioner reemployed - NFI Reports 54, 55, 78 1 1 1 1 19 Employee Fraud - abuse / misuse of time and resources - NFI Reports 65, 66, 68 1 3 3 20 Employee Fraud - abuse / misuse of time and resources - NFI Reports 70, 73 2 3 6 21 Employee Fraud - abuse / misuse of time and resources - NFI Reports 80, 2 3 6 21 Employee Fraud - abuse / misuse of time and resources - NFI Reports 90, 73 2 3 6 22 Blue Badge Misuse - NFI Reports 270, 172 2 3 6 22 Blue Badge Misuse - NFI Report 170, 172 1 3 3 < | | | | | |
| 15 | | | | | |
| Adult Social Care - Personal Budgets | | | | | |
| NATIONAL FRAUD INITIATIVE (NFI) RELATED FRAUD AREAS 1 | | | | | |
| 17 Pension Fraud - died but still being paid - NFI Report 52 2 1 2 | 16 | Adult Social Care - Personal Budgets | 2 | 5 | 10 |
| 18 Pension Fraud - pensioner reemployed - NFI Reports 54, 55, 78 1 1 1 19 Employee Fraud - abuse / misuse of time and resources - NFI Reports 65, 66, 68 1 3 3 20 Employee Fraud - no entitlement to work in the UK - NFI Reports 70, 73 2 3 6 21 Employee / Procurement Fraud - improper employee / supplier relationship - NFI Reports 80, 2 3 6 22 Blue Badge Misuse - NFI Reports 170, 172 2 3 6 23 Concessionary Travel NFI Report 172 1 3 3 24 Residential Care - continuing to pay care home fees etc. after a SU dies - NFI Report 173 1 2 2 25 Insurance Claimants - NFI Report 180 1 5 5 26 Creditors - duplicate payments - NFI Reports 700-703, 707-713 3 2 6 27 VAT Overpayment - NFI Report 709 1 1 1 28 Froudcourt - Cash & Assets 1 3 3 29 Libraries - Cash & Assets 1 3 3 30 Museums - Cash & Assets 1 3 3 31 | | NATIONAL FRAUD INITIATIVE (NFI) RELATED FRAUD AREAS | | | |
| 18 Pension Fraud - pensioner reemployed - NFI Reports 54, 55, 78 1 1 1 19 Employee Fraud - abuse / misuse of time and resources - NFI Reports 65, 66, 68 1 3 3 20 Employee Fraud - no entitlement to work in the UK - NFI Reports 70, 73 2 3 6 21 Employee / Procurement Fraud - improper employee / supplier relationship - NFI Reports 80, 2 2 3 6 22 Blue Badge Misuse - NFI Reports 170, 172 2 3 6 23 Concessionary Travel NFI Report 172 1 3 3 24 Residential Care - continuing to pay care home fees etc. after a SU dies - NFI Report 173 1 2 2 25 Insurance Claimants - NFI Report 180 1 5 5 26 Creditors - duplicate payments - NFI Reports 700-703, 707-713 3 2 6 27 VAT Overpayment - NFI Report 709 1 1 1 28 Froudcourt - Cash & Assets 1 3 3 29 Libraries - Cash & Assets 1 3 3 30 Museums - Cash & Assets 1 3 3 | 17 | Pension Fraud - died but still being paid - NFI Report 52 | 2 | 1 | 2 |
| 19Employee Fraud - abuse / misuse of time and resources - NFI Reports 65, 66, 6813320Employee Fraud - no entitlement to work in the UK - NFI Reports 70, 7323621Employee / Procurement Fraud - improper employee / supplier relationship - NFI Reports 80,23622Blue Badge Misuse - NFI Reports 170, 17223623Concessionary Travel NFI Report 17213324Residential Care - continuing to pay care home fees etc. after a SU dies - NFI Report 17312225Insurance Claimants - NFI Report 18015526Creditors - duplicate payments - NFI Reports 700-703, 707-71332627VAT Overpayment - NFI Report 709111FRAUD - OTHER - CASH & ASSETS28Foodcourt - Cash & Stock13330Museums - Cash & Assets13331Registration Service - Public Protection & Counter Fraud Issues, e.g. misinformation to obtain welfare/benefits, identity theft, sham marriages341233Beaumanor Hall - Cash and Stock12234Country Parks - Cash and Assets11135Adult Learning Service - Cash24836Leicestershire Highways - MOTs - Cash, fraudulent use of certificates etc.12237Leicestershire Highways - Stores, Plant etc.441638Central Print Service - C | | | | | |
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| 21 Employee / Procurement Fraud - improper employee / supplier relationship - NFI Reports 80, 2 3 6 6 22 Blue Badge Misuse - NFI Reports 170, 172 2 3 6 6 23 Concessionary Travel NFI Report 172 1 3 3 3 2 6 6 27 Concessionary Travel NFI Report 172 1 1 3 3 3 3 2 6 Residential Care - continuing to pay care home fees etc. after a SU dies - NFI Report 173 1 2 2 2 2 2 5 Insurance Claimants - NFI Report 180 1 5 5 5 6 Creditors - duplicate payments - NFI Reports 700-703, 707-713 3 2 6 6 7 VAT Overpayment - NFI Report 709 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | | | | | |
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| 27 VAT Overpayment - NFI Report 709 1 1 1 FRAUD - OTHER - CASH & ASSETS 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 identy 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 | | | | | |
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| 39 Integrated Passenger Transport Unit - Misuse of Assets, e.g. vehicles 2 2 4 | | | 1 | | 1 |
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| 1 | | | 1 | | |
| 41 Imprest Accounts / IRSs 1 3 3 | | | 1 | | |

| <u>#</u> | <u>Area</u> | <u>Impact</u> | <u>Likelihood</u> | Risk Score |
|----------|---|---------------|-------------------|------------|
| 42 | Money Laundering Activity | 2 | 2 | 4 |
| | | | | |
| | E-FRAUD | | | |
| 43 | Cyber Fraud | 3 | 3 | 9 |
| | BRIBERY & CORRUPTION | | | |
| | | | | |
| 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 |
| | | | | |