

Counter Fraud Work During Covid-19**Covid-19 assignments**

1. Several Internal Audit Service (IAS) assignments have taken place during the last four months (mid-July to mid-November 2020) with a Covid-19 counter fraud focus. These included: -
 - A significant piece of work in Adult Social Care (ASC) looking at additional support provided by the Council to social care providers to ensure their financial viability, e.g. amended processes such as temporary forward payments to aid provider cash-flow, top-up payments to maintain minimum funding levels in the home care sector and support grant payments, e.g. the national ASC Infection Control Fund grant.
 - Increased p-Card usage during Covid-19.
 - Supplementary assurance regarding the County Council's Communities Fund, following additional funding being allocated by the Council. Advice was given recently to strengthen the Business Recovery Grant scheme.
 - Reviewing that new starters to the Council are adequately undertaking mandatory fraud awareness e-learning (or the manual workbook equivalent). This review coincided with a revision to the training module. It highlighted some procedural weaknesses, regarding difficulties delivering mandatory training to 'hard to reach' staffing groups, often 'low risk', e.g. staff without IT access, e.g. school catering staff, highways operatives.

Covid-19 Targeted Fraud Comms

2. Covid-19 continues to see fraudsters exploring many, and sometimes innovative, ways to perpetrate fraud. The IAS continues to promote fraud awareness advice to staff and key sections, including advice to individuals on fraud risks in their personal lives.
3. The UK Government response to Covid-19 continues to be particularly vulnerable to fraud, owing to the novelty and speed with which new measures are introduced and the size of economic relief schemes, many of which are passed down to local government to distribute further. Whilst a number of these schemes are relevant only to district and unitary councils, e.g. the Small Business Grant and the Self-Isolation Financial Support Scheme, there can be no complacency that fraud cannot affect the Council, especially at times like these where temporary process changes brought about by Covid-19 may be in place.

4. Raising fraud awareness continues to be a major defence against fraud. The fraud pages on the Council's intranet have been updated with Covid-19 specific information, and targeted communications to staff and managers continue to be issued through a variety of means, for example a Manager's Digest was released on 28 October.
5. To coincide with International Fraud Awareness Week (IFAW) 15 to 20 October, the IAS issued targeted comms to staff during the week via the Corporate Intranet. Detailed guidance on Covid-19 related fraud is included as well as a link to the Government's counter fraud measures toolkit.
<https://leics.sharepoint.com/sites/intranet/Departments/CORPORATERESOURCES/Documents/covid-19-counter-fraud-measures-toolkit.pdf>

Fraud Risk Assessment 2020/21

6. The CIPFA Code of Practice – Managing the Risk of Fraud Corruption recommends that local authorities identify and assess the major risks of fraud and corruption to the organisation. The IAS performs a biennial fraud risk assessment and uses the results to direct counter fraud resources accordingly.
7. National fraud intelligence received through publications such as CIPFA's annual Fraud and Corruption Tracker (2019) and Fighting Fraud and Corruption Locally – the local government counter fraud and corruption strategy (Cifas, 2020) helps to inform local authorities of key fraud risks for councils and also of emerging frauds relevant to the sector. Such intelligence is used proactively to influence the fraud risk assessment. The IAS also networks closely with other local authorities to share both fraud intelligence and strategies to manage fraud risks. As an example, the IAS is an active participant in the Midland Counties' Fraud Group. A recent meeting (5 November) discussed approaches to the following frauds with links to Covid-19. More detailed advice has been disseminated to relevant Council officers and headteachers: -
 - a. General Warnings re. Heightened Risk of Fraud during crisis situations
 - b. Mandate Fraud, including emerging e-mail hacking threat
 - c. Chief Executive Officer (false identity) Fraud
 - d. C-19 Business Support Grants
 - e. Temporary Morgues
 - f. Asset Misappropriation by Staff, e.g. leavers, compounded by home working
 - g. Taxi Providers' Relief Scheme
 - h. Temporary Process Changes Brought About By Covid-19
 - i. Staff Working Elsewhere Whilst off on Sick/Self-Isolation
8. A specific category has been recorded in the revised fraud risk assessment for Covid-19 and has been scored overall at maximum impact and likelihood.