



Audit and Assurance Committee

Date of Meeting	14 May 2024
Subject	Annual Report – Counter Fraud: 2023-24
Agenda No.	8
Paper No.	27.7a
Prepared By	[redacted]
Purpose	Monitor

Background

- 1.1 The attached report details counter fraud activities undertaken by Social Security Scotland during 2023-24.

Key Points

- 2.1 Key highlights are summarised in part 1 of this report, with further detail provided in the Annex.

Conclusion/ Recommendation

- 3.1 The Committee is asked to review and comment on progress made during 2023-24.



Part 1: Counter Fraud Performance

Key highlights for the Committee are shown below, with further detail provided within Annex A.

[redacted]

[redacted]

[redacted]

- Directed surveillance [redacted], authorised under Regulation of Investigatory Powers (Scotland) Act, is now deployed for ongoing fraud investigations.

[redacted]

Part 2: Further Development of Capability and Capacity

Technology and Systems

We continue to work collaboratively with our delivery colleagues to enhance the technical environment to maximise efficiency and support our proactive approach to counter fraud activity. Some elements of our Counter Fraud IT Strategy have been progressed over the last year, notably on developing opportunities for data analysis.

Similarly, 2023-24 saw significant collaborative efforts to procure a replacement for our Fraud Case Management system, to ensure all aspects of fraud intelligence management and fraud investigation are included within a single system. [redacted]

Recruitment and Training

[redacted]

Staff across the branch have undertaken a variety of professional development activities including Accredited Counter Fraud Specialist training, basic surveillance training, and Accredited Risk Management Training. In addition, we developed, in line with National Intelligence Model practice, a training package for Intelligence Officers which will be delivered to our first cohort in Quarter 1 of 2024-25.

[redacted]



Annex A Counter Fraud Performance – Further Detail

Intelligence Management

[redacted]

Members of the public continue to be the primary source of intelligence, reported to us via webform, post, and our Fraud Hotline. The remainder of fraud referrals come from colleagues (as a result of the fraud awareness raising by colleagues in Risk Analysis & Control) and other government partners (Police Scotland, NHS Scotland, Local Authorities and Marine Directorate Scotland) who have identified intelligence relevant to our organisation. This intelligence has naturally continued to rise as our benefit caseload has increased. We have adapted our processes to prioritise cases with higher risk and value.

[redacted]

In comparison to 2022-23, we have seen a significant increase in intelligence relating to the benefits Social Security Scotland delivers, notably Adult Disability Payment

[redacted]

Analysis shows an increase in the types of fraud being reported to us, with the majority of these being in relation to Misrepresentation of Care/Mobility Needs – for both Adult and Child Disability Payment, and Child Responsibility in Doubt.

(Note that a single piece of intelligence can contain multiple types of allegation, including allegations that aren't specific to Social Security Scotland).

[redacted]

We disseminate relevant intelligence to DWP where it may impact a client's qualifying benefit (with corresponding impact on anchored Scottish benefits), or where it impacts solely on DWP benefit entitlement. We also disseminate to other relevant Government departments (Police Scotland or Home Office) where we believe there is an immediate risk. We work closely with colleagues in Scottish Government Legal Team to establish which legal gateways would allow us to proactively disseminate intelligence to external Law Enforcement Agencies, Other Government Departments and Local Authorities where relevant to their functions.

Data Analysis

[redacted]

Evidence Gathering Team

Fraud and Error Risk

During 2023-24 a number of fraud and error risk assessments have been undertaken, with focus on topics including Correspondence Address Outwith Scotland and Funeral Support Payment Invalid Applications. These provide an overview of potential vulnerabilities and associated mitigating provisions. Work has begun to explore the fraud and error risk transferred to/from other government departments, in collaboration with DWP. This will continue through 2024-25.

Potential Fraud Prevented

[redacted]

Each benefit Social Security Scotland delivers has its own set of eligibility criteria, therefore clear benefit-agnostic trends are not emerging; there is a wide range of different types of potential prevented fraud, as demonstrated by the chart above. Recognising this, the Fraud and Error Risk Analysis and Control Team have sought to provide some additional information on the extent of our exposure to specific risks. We have obtained lists of cases for sampling work looking at specific criteria such as Supporting Information, Significant Change in Awards (re-determinations) and Duty to Report a Change in Circumstances (manually suppressed letters). This has also enabled us to identify gaps in processes and guidance and subsequently to recommend changes and measures to minimise risk.

[redacted]

External Fraud Investigation (Traditional Benefit Fraud)

[redacted]

Ongoing Investigation Caseload

OFFICIAL SENSITIVE



[redacted]

Internet Intelligence and Investigation

A crucial part of our investigative capability is undertaking research and gathering evidence from the internet. The Internet Intelligence and Investigations team have been able to carry out research/ obtain evidence on the internet since April 2023, having completed appropriate training to use the accredited investigation software

[redacted]

Statutory Information Gathering Powers

Authorised Officers made formal requests for information from a variety of data controllers, using our Statutory Information-Gathering Powers.

Directed Surveillance Authorisations

[redacted]

Internal Investigations, Monitoring and Controls

The Internal Monitoring and Controls team continue to focus on developing an understanding of, and providing some assurance on insider threat. They conduct recurring, specific control and assurance checks on the use of our internal systems and processes. [redacted]- Focus has been on enhancing wider staff awareness of the insider threat risk, helping them understand common fraud indicators, and how to report suspicious activities. Insider threat awareness sessions were delivered to Social Security Scotland colleagues including the delivery of a bespoke session on Procurement Fraud. The team promote the ways in which suspicions can be reported using the whistleblower provision.

[redacted]