



Audit and Assurance Committee

Date of Meeting	16 May 2023
Subject	Annual Report – Counter Fraud: 2022-23
Agenda No.	
Paper No.	
Prepared By	[Redacted]
Purpose	Monitor

Background

- 1.1 The attached report details counter fraud activities undertaken by Social Security Scotland's Fraud and Error Resolution Unit throughout the 2022-23 operational year.

Key Points

- 2.1 [Redacted]
- 2.2 [Redacted]
- 2.3 [Redacted]

Conclusion/ Recommendation

- 3.1 The Committee is asked to review and comment on progress made during 2022-23.



Part 1: Counter Fraud Performance

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

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Part 2: Further Development of Capability and Capacity

Technology and Systems

We have been working collaboratively with our CDO and Programme colleagues to identify the appropriate technical environment to better support us in undertaking proactive counter fraud activity. CDO Architecture have created our Counter Fraud IT Strategy, aligned with our Target Operating Model, and our Service Design colleagues have outlined a roadmap of requirements planned for delivery within the lifespan of the Programme. This planned investment will further enhance data analytical capability, reduce manual processing requirements and provide direct access to relevant data in a secure environment.

[Redacted]

[Redacted]

Recruitment and Training

Throughout the year recruitment has been ongoing across the Counter Fraud branch.

External Investigations have successfully recruited some of the staff required for our two additional Fraud Hubs, in Edinburgh and Inverness. The Covert Operations



function is now fully staffed, while increasing volume of incoming intelligence necessitated additional investment in Intelligence Development Officers.

We have continued to invest in specialist training for a variety of roles within the Counter Fraud branch. [Redacted]

Estimating the Monetary Value of Fraud and Error

Throughout the year work has been ongoing to support Analysis and Insights colleagues in their work to define the methodology to be used for estimating the monetary value of fraud and error in our benefit caseloads.

[Redacted]

[Redacted]

Annex A Counter Fraud Performance – Further Detail

Intelligence Management

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



[Redacted]

[Redacted]

[Redacted]

National Fraud Initiative

[Redacted]

Fraud and Error Risk

During 2022-23 a number of fraud and error risk assessments have been completed, with topics including declaration requirements for both Funeral Support Payment and for Qualifying Benefit status, Scottish Child Payment, Disability Payments (including case transfer). These aimed to provide an overview of potential vulnerabilities and associated mitigating provisions. We also began work to assess the fraud and error risk which is transferred to/from other government departments – this will continue through 2023-24.

Work to review and improve existing Operational guidance has been ongoing across the organisation and we have had the opportunity to contribute, with the objective of ensuring appropriate fraud and/or error prevention controls are clear.

Potential Fraud Prevented

[Redacted]

[Redacted]

As each of the benefits Social Security Scotland deliver has its own bespoke conditionality entitlement, it is difficult to establish generic trends that reach across the benefit landscape, [Redacted]

OFFICIAL SENSITIVE



Adult Disability Payment:

Disability in Doubt: [Redacted]

Bogus Application: [Redacted]

Funeral Support Payment:

Hierarchy: [Redacted]

Funeral Bill: [Redacted]

Scottish Child Payment:

Child Responsibility: [Redacted]

External Fraud Investigation Progress

Investigation Concluded – Award impacted

[Redacted]

[Redacted]

[Redacted]

Investigation Concluded – Award Not Impacted

[Redacted]

- [Redacted]

OFFICIAL SENSITIVE



- [Redacted]
- [Redacted]
- [Redacted]

Ongoing Investigation Caseload

[Redacted]

Breakdown by allegation Type:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Common Interest Investigations (in partnership with DWP)

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]



Breakdown by benefit type:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[Redacted]

Statutory Information Gathering Powers

[Redacted]

Breakdown of Requests by Benefit:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

Directed Surveillance Authorisation

For benefits being delivered by the DWP under agency agreement, their fraud investigation work with requirement for surveillance is authorised by Social Security Scotland on behalf of Scottish Ministers. [Redacted]

[Redacted]

Internal Investigations & Monitoring



The Internal Monitoring and Controls team continue to focus on insider threat through conducting recurring, specific control and assurance checks of our systems

[Redacted]

[Redacted]

During the reporting year Internal Investigations have been progressing a number of ongoing enquiries. We have provided investigation services to Social Security Scotland and to Core SG People Advice and Wellbeing Team.

[Redacted]

[Redacted]