
Audit & Anti-Fraud Progress Report

1 April - 30 September 2021

1. INTRODUCTION

- 1.1 The purpose of this report is to present the performance of the Audit & Anti-Fraud Service for the period April - September 2021. It covers the areas of work undertaken, progress with implementing audit recommendations and information on current developments in the service area.
- 1.2 Internal Audit provides an independent continuous review of key and high-risk activities across the Council. It is important that the effectiveness of the work of Internal Audit is monitored and reported in order to comply with the requirements of the Accounts & Audit Regulations 2015 and to provide the necessary assurance on the adequacy of the Internal Audit service. This report, in part, meets these requirements.

2. INTERNAL AUDIT RESOURCES AVAILABLE

- 2.1 The Internal Audit function is an in-house service consisting of two Principal Auditors and two Auditors, supplemented by specialist IT skills from an external provider. Internal Audit also supports the Council's CIPFA trainee programme. Audit work has been disrupted as a result of the cyber attack in October which resulted in a lack of access to many of the Council IT systems and data. Completion of planned work has continued to be hampered by the inability of services to facilitate audit reviews whilst the Council focussed resources on responding to the pandemic and the recovery from the cyber attack.
- 2.2 The 2021/22 Audit Plan consisted of 38 audits (of which 13 are schools/children's centres), in addition 17 deferred audits were also included in the plan, 5 audits have been postponed or cancelled and 2 were added since the plan was agreed. Proposed changes to the plan have been discussed and agreed with directorate management teams. These changes are reflected in the Audit Plan at Appendix 2.

3. INTERNAL AUDIT KEY PERFORMANCE INDICATORS

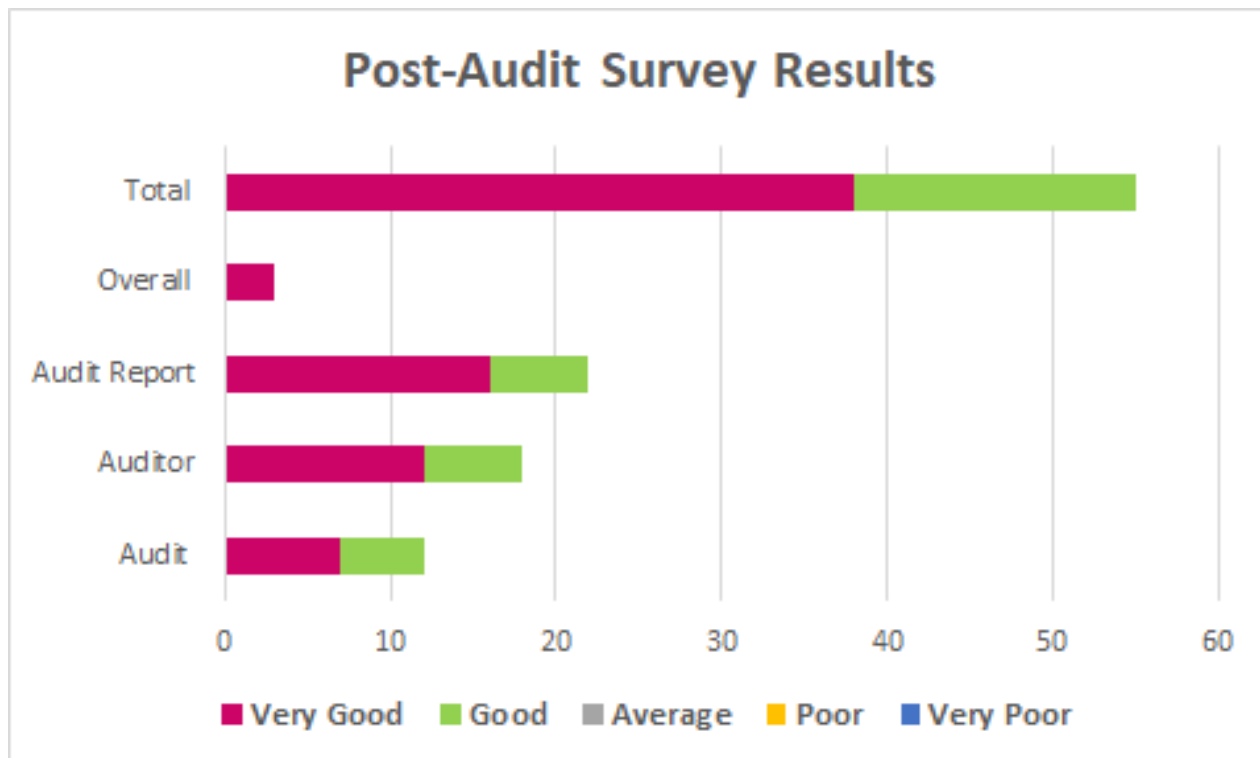
- 3.1 Internal Audit's performance for 2021/22 against key indicators is shown in Table 1. Post audit survey results are summarised in paragraphs 3.2 – 3.4.

Objective	KPIs	Targets	Actual
Cost & Efficiency <i>To ensure the service provides Value for Money</i>	1) Percentage of planned audits completed to final/draft report stage 2) Average days between the end of fieldwork & issue of the draft report.	1) 90% by year end 2) Less than 15 working days	1) 40% complete or in progress by 30 September 2021 2) 23 days
Quality <i>To ensure recommendations made by the service are agreed and implemented</i>	1) Percentage of significant recommendations made which are agreed 2) Percentage of agreed high priority recommendations which are implemented	1) 100% 2) 90%	1) 85% 2) 84% - fully implemented** 15% - partially implemented
Client Satisfaction <i>To ensure that clients are satisfied with the service and consider it to be good quality</i>	1) Results of Post Audit Questionnaires 2) Results of other Questionnaires 3) No. of Complaints / Compliments	1) Responses meeting or exceeding expectations 2) Satisfactory 3) Actual numbers reported	1) 100% (67% exceeded expectations and excellent) 2) N/A 3) None

** See paragraph 6.2 for explanation

Table 1

- 3.2 As at 30 September 2021 a total of 14 internal audit reviews have been started from the 2021/22 Plan, two have been finalised and a further two are at draft report stage. In addition 9 reviews carried forward from the 2020/21 annual plan were finalised.
- 3.3 Post Audit Survey results continue to show that overall expectations of auditees are met or exceeded with 100% responding that expectations were exceeded, see bar chart below.



4. SUMMARY OF INTERNAL AUDIT WORK

- 4.1 Progress with 2021/22 planned audits is summarised in Table 2 below and detailed in Appendix 2.

2021/22 Audit Plan Stage of Audit Activity	Number of assignments	% of the original plan
Scoping/TOR agreed	3	8
Fieldwork in progress	7	20
Draft report issued	2	6
Completed	2	6
Total work completed and in progress	14	40%
Original Plan	38	
Additional requests	2	
Cancelled and Postponed	5	
Total Revised Plan	35	

Table 2

- 4.2 The table shows 40% of the planned assignments have been completed or are in progress.
- 4.3 Audit reviews into the Housing Supply Programme and Area Regeneration were added to the plan. In addition, following discussions with senior managers changes have been made

to some planned audits which could not progress as originally planned due to the lack of access to systems following the cyber attack.

4.4 Details of cancelled/postponed audits are shown in Table 3 below.

Review	Reason for Deferral
Public Health Information Governance	Deferred due to cyber attack
Public Health Financial Control	Deferred due to cyber attack
Direct Payments	Deferred due to cyber attack
Integrated Learning Disabilities Service (ILDS)	Deferred due to cyber attack
Residential Care	Deferred due to cyber attack

Table 3

4.5 Each completed audit is given an overall assurance grading. These are categorised as 'Significant', 'Reasonable', 'Limited' or 'No' assurance. The assurances given this year are included in Appendix 3. For those audits finalised this year, including 18 carried forward from the 2020/21 plan, the assurance levels are set out in Table 4.

Assurance Level	2021/22	2020/21
No	0	0
Limited	2	0
Reasonable	5	2
Significant	2	1
Not Applicable	0	0
Total	9	3

Table 4

4.6 Where Internal Audit work identifies areas for improvement, recommendations are made to manage the level of risk. These are categorised as 'High', 'Medium' or 'Low' priority. The numbers of High and Medium recommendations issued up to 30 September 2021 are shown in Table 5.

Categorisation of Risk	Definition	Number 2021/22 Plan	Number 2020/21 Plan not previously reported
High	Major issues that we consider need to be brought to the attention of senior management.	0	3
Medium	Important issues which should be addressed by management in their areas of responsibility.	13	39
Total		13	42

Table 5

5. SCHOOLS

5.1 The results of schools' audits are reported to the Hackney Education (HE) within the Children's, Adults and Community Health Directorate. In addition, progress with the implementation of agreed recommendations from 2016/17 to the current date are regularly followed up and reported.

5.2 As a result of school's being closed as part of the national lockdown and the stresses placed on school management a decision has been taken to defer all audits until after

October half term. Following the successful pilot of Internal Control Questionnaires (ICQs) in 2019/20 this approach will be used for future reviews. This approach allows for the necessary insurances to be given whilst reducing the resources necessary to complete the audits, both for the school and the audit service. The audits focus on the existence and compliance with key financial controls and the adequacy of governance arrangements.

- 5.3 As at 30 September 2021, five school and children centre audits ongoing from the 2020/2021 audit plan had been finalised.

6. IMPLEMENTATION OF RECOMMENDATIONS

- 6.1 In order to track the Council's response to improving the control environment, progress with implementation of agreed internal audit recommendations is tracked. The results of this work for the 'High' priority recommendations from audits undertaken from 2017/18 that were due to be implemented by 30 September 2021 are presented in Table 6.

Directorate	Implemented /No longer relevant	Partially Implemented	Not implemented /No response	Not Yet Due	Total*
Children's, Adults and Community Health (includes AHI & CE)**	11	1	1	0	13
Neighbourhoods and Housing	48	8	0	0	56
Finance & Corporate Resources ***	3	2	0	1	5
Chief Executive's	1	0	0	0	1
Corporate	0	0	0	0	0
Total number	63	11	1	1	75
Percentage (%)*	84%	15%	1%	n/a	100%

* Does not include "Not Yet Due"

Table 6

** There are no recommendations for the newly formed directorates at the time of reporting

*** ICT recommendations have been excluded as these are obsolete following the cyber attack

- 6.2 The Council's target for 2021/22 is 90% of 'High' priority recommendations should be implemented in accordance with agreed timescale. Audit followed up 75 'High' priority recommendations, the implementation rate currently stands at 84% fully implemented, with a further 15% partially implemented.
- 6.3 Of the 273 'Medium' priority recommendations followed up 85% were assessed as implemented and 9% partially implemented. Details are shown in Table 7.

Directorate	Implemented /No longer relevant	Partially Implemented	Not implemented /No Response	Not yet due	Total*
Children's, Adults & Community Health**	55	6	4	2	65
Neighbourhoods and Housing	100	12	4	0	116
Finance & Corporate Resources***	50	5	5	9	60

Chief Executive's	14	0	0	2	14
Corporate	14	0	4	4	18
Total number	233	23	17	17	273
Percentage (%)	85%	9%	6%	n/a	100%

* Does not include "Not Yet Due"

Table 7

** There are no recommendations for the newly formed directorates at the time of reporting

*** ICT recommendations have been excluded as these are obsolete following the cyber attack

6.4. SCHOOLS

Recommendations made during school audits are followed up in the same way as for other recommendations. In circumstances where audits are categorised as 'No' or 'Limited' assurance, or where the school fails to provide progress updates with implementation of 'High' category recommendations, a follow up review is scheduled.

Recommendation Priority	Implemented/ No longer relevant	Partially Implemented	Not implemented/ No Response	Not yet due	Total*
High	34	2	3	0	39
Medium	157	9	27	3	193
Total Number	191	11	30	3	232
Percentage (%)	82%	5%	13%	n/a	100%

* Does not include "Not Yet Due"

Table 8

7. DEVELOPMENTS WITHIN INTERNAL AUDIT

7.1 The Head of Internal Audit & Risk Management remains vacant, covered by an interim, in addition there is a vacant internal auditor post following the resignation of one member of the team in September 2021. The planned review of the division's management and resources, resulting from the reduction in resources following the voluntary redundancy scheme in 2020, was deferred as a result of the Covid-19 pandemic.

7.2 The completion of ICT audits were significantly hampered by both the service's response to the Covid-19 pandemic and the cyber attack in October 2021. Focus of planned audits in this service area have been reconsidered with management to ensure planned reviews can be undertaken given the strain on the divisions resources and the ongoing lack of access to IT systems.

8. ANTI FRAUD SERVICE

8.1 The Anti-Fraud Service consists of three distinct teams; the Audit Investigation Team (AIT), the Tenancy Fraud Team (TFT) and the Pro-Active Fraud Team (PAFT). The planned review of structures and resources following the outcomes of the Council's Voluntary Redundancy Scheme has been delayed as a result of the Covid-19 pandemic.

8.2 Some investigative activities have not been possible for much of the financial year, although these are being carefully reintroduced with additional safeguards in place. Despite these difficulties, financial benefits continue to arise from these enquiries albeit that they are impacted by the pandemic (at Hackney and within the criminal justice system generally), and the cyber attack.

8.3 Statistical information relating to all the work of the Council's Anti-Fraud Teams is attached as Appendix 4.

9. CONCLUSIONS

9.1 This report provides details of the performance of the Council's Internal Audit and Anti Fraud Services. It provides assurance that the service is being delivered to meet statutory responsibilities and is continually seeking to improve the standard of its service.

9.2 The ability to complete internal audit reviews has been severely hampered by the Covid19 pandemic which has affected the whole country. Where it is possible to undertake work virtually this is being done. Work that has been put on hold will recommence as appropriate. Resources will focus on reviews that will provide evidence to support the Head of Internal Audit & Risk Management's annual assurance statement.

9.3 Using the cumulative knowledge and experience of the systems and controls in place, including the results of previous audit work and the work undertaken to date, it is considered that overall, throughout the Council there continues to be a sound internal control environment.

Internal Audit Annual Plan					
Progress to 30 September 2021 (including 2020/21 audits completed in the year)					
Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2020/21 Audits					
2021LBH01	AGS co-ordination 2020/21				WiP
2021LBH08	Corporate Response to Covid 19 - PPE - Business Continuity	N/A 0	N/A 6	N/A Reasonable	Final
2021CACH12	Schools overview report 2020/21				
2021CACH08	Safeguarding - Children Missing from School - F/up	0	0	Significant	Final
2021FCR09	Anti-Fraud				Draft
New review	Consultants role in Procurement	1	9	Limited	Final
2021CE04	Establishment				ToR
2021ICT03	End to end security response to cyber attack				WiP
2021ICT04	Move to support homeworking during pandemic				WiP
2021ICT05	GDPR - Privacy by Design				WiP
2021NH01	Suffolk TMO	2	7	Limited	Final
2021NH02	Wyke TMO				WiP
2021NH03	C/Tax & Housing - Cautionary Contact				Draft
2021SCH01	Gainsborough School & CC	0	3	Reasonable	Final
2021SCH03	Queensbridge School & Mapledene CC	0	3	Significant	Final
2021SCH04	Berger Primary School	0	5	Reasonable	Final
2021SCH07	St. John the Baptist CE Primary School	0	3	Reasonable	Final
2021SCH08	St. Matthias CE Primary School	0	3	Reasonable	Final

Appendix 2

Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2021/22 Audits					
Corporate / Cross Cutting					
2122LBH01	AGS co-ordination 2020/21				
2122LBH02	Company Management/ Governance (e.g. Hackney Light & Power, Tiger Way, Ed Partnerships)				
2122LBH03	Equal Pay				
Chief Executive's					
2122CEX01	Electoral Services				WiP
2122CEX02	Grants				
2122CEX03	Communications				Draft
2122CEX04	Private Sector Housing				WiP
Regeneration					
2122CE05	Housing Supply Programme				
2122CE06	Area Regeneration				
Children, Adults & Community Health					
Adult Services/Public Health					
2122AHI01	Mortuary Statutory Review				On hold due to pandemic
2122AHI02	Integrated Learning Disabilities Service (ILDS)				Deferred at Mgmt Request
2122AHI03	Direct Payments				Deferred at Mgmt Request
2122AHI04	Residential Care				Deferred at Mgmt Request
2122AHI05	Adults Homecare Procurement				
2122AHI06	Housing with Care				WiP
Children & Families					
Education					

Appendix 2

2122CE01	LAC Incidentals				
2122CE02	Unregistered Settings				WiP
2122CE03	Schools overview report 2021/22				
2122CE04	Early Years Setting -15 hours free for 2 year olds				WiP
Public Health					
2122AHI07	Information Governance				Cancelled at Mgmt Request
2122AHI08	Financial Controls				Deferred at Mgmt Request
FINANCE & CORPORATE RESOURCES					
Strategic Property					
2122FCR01	Commercial Property Income				
Financial Management					
2122FCR02	Pension Fund				
Procurement					
2122FCR03	Matrix ICT Contract				
Customer Services					
2122FCR04	Council Tax				
2122FCR05	NNDR/Business Rates				
2122FCR06	Searchlight System Review - Data security				
2122FCR07	Procurement of Homelessness Provision				
ICT					
2122ICT01	Programmes & Projects/Project Benefit Appraisal				
2122ICT02	ICT Risk Management, sources of assurance				
2122ICT03	Freedom of Information				WiP
2122ICT04	Main financial system upgrade				

Appendix 2

2122ICT01	Programmes & Projects/Project Benefit Appraisal				
Neighbourhoods & Housing					
Housing					
2122NH01	Clapton Park TMO				ToR
2122NH02	TMO - tbc				
2122NH03	Streetscene				
2122NH04	Implementation review of new rent account system				
2122NH05	Effect of UC on tenant arrears				
Public Realm					
2122NH06	Use of Infrastructure Levy/section 106				ToR
Schools					
Primary Schools					
2122SCH01	Colvestone				
2122SCH02	Grasmere	0	6	Reasonable	Final
2122SCH03	Parkwood				
2122SCH04	Rushmore				
2122SCH05	St Dominic's				
2122SCH06	St John of Jerusalem				
2122SCH07	St Mary's CoE				Draft
2122SCH08	The Garden School				
2122SCH09	Thomas Fairchild				
2122SCH10	William Patten	0	2	Significant	Final
Secondary Schools					
2122SCH11	Clapton Girls Academy Scrutiny				WiP
2122SCH12	New Regent's College				
2122SCH13	Our Lady's	0	5	Reasonable	Final
2122SCH14	Yesodey Hatorah Senior Girls School				ToR

The **Overall Assurance** given in respect of an audit is categorised as follows:

Level of assurance	Description	Link to risk ratings
Significant	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.	There are two or less medium-rated issues or only low rated or no findings to report.
Reasonable	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than critical or they would be unlikely to occur.	No more than one high priority finding &/or a low number of medium rated findings. Where there are many medium rated findings, consideration will be given as to whether the effect is to reduce the assurance to Limited.
Limited	There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.	There are up to three high-rated findings. However, if there are three high priority findings and many medium rated findings, consideration will be given as to whether in aggregate the effect is to reduce the opinion to No assurance.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.	There are a significant number of high rated findings (i.e. four or more).

Anti-Fraud Service:

Statistical Information 1 April to 30 September 2021

1. Investigations Referred

The Anti-Fraud service has received 155 referrals so far during 2021/22, which represents a significant decrease on the level of pre-pandemic referrals.

Group	Department	Number of Cases Referred in Period	Number of Cases Closed in Period	Cases Currently Under Investigation	Referrals 2021/22 to date	Referrals 2020/21
Neighbourhoods & Housing (N&H)	Neighbourhoods & Housing	5	3	8	5	11
	Hackney Homes	0	0	4	0	0
	Tenancy Fraud	70	65	271	70	120
	Parking	55	69	105	55	119
Children, Adults & Community Health (CACH)	Children, Adults & Community Health	1	1	8	1	1
	No Recourse to Public Funds (NRPF)	23	7	57	23	66
	Hackney Education	0	1	7	0	3
Finance & Corporate Resources (F&CR)	Finance & Resources	0	0	6	0	1
	Covid19 Business Grants	0	7	30	0	40
Chief Executive Directorate	Chief Executive Directorate	1	1	1	1	1
Total		155	154	497	155	362

Table 1

Note 1: Fraud reporting is provided at Group Directorate level, with additional detail being provided for areas that were previously separate organisations (Hackney Homes and The Learning Trust) and specific Anti-Fraud projects (Tenancy, Parking and NRPF).

Note 2: Cases closed/under investigation may include those carried forward from previous reporting periods.

2. Fraud Enquiries

Investigative support is provided to other bodies undertaking criminal enquiries, including the Police, Home Office and other Local Authorities. The team also supports other LBH teams to obtain information where they do not have direct access and it is available under the Data Protection Act crime prevention and detection gateways.

Source	Number of Cases	Number of Cases	Cases Currently	2021/22 to date	2020/21

	Referred in period	Closed in period	Under Investigation		
Internal	59	59	0	59	83
Other Local Authorities	21	21	0	21	22
HMRC	2	2	0	2	5
Police	7	6	1	7	35
Immigration	1	1	0	1	1
DWP	42	42	0	42	203
Other	35	35	0	35	16
Total	167	166	1	167	365

Table 2

3. National Fraud Initiative (NFI) Matches

The NFI is a biennial data matching exercise, the majority of datasets were most recently received in January 2019. Matches are investigated by various LBH teams over the 2 year cycle, AAF investigate some matches and coordinate the Council's overall response. The total number of matches includes a number of recommended cases that are identified as high priority, participants are expected to further risk assess the results to determine which are followed up.

Type of Match	Number of Matches	Cases Under Investigation	Number Matches Cleared NFI2020/21	Number Matches Cleared NFI2018/19
Payroll	69	68	1	82
Housing Benefit	922	0	1	128
Housing Tenants	695	10	33	73
Right to Buy	28	0	0	10
Housing Waiting List	n/a	n/a	n/a	120
Concessionary travel / parking	735	373	34	187
Creditors	7125	0	0	sample
Pensions	220	219	1	208
Council Tax	n/a	n/a	n/a	9,628
Council Tax Reduction Scheme	n/a	n/a	n/a	185
Covid19 business grants	101	75	26	714
Other	n/a	n/a	n/a	15
Total	9895	745	96	11,350

Table 3

Hackney participation in the 2020/21 NFI was limited because of the timing of the cyber attack. Information that was in the process of being collated in October 2020 was not available for matching, hence the absence of some match categories from the table above. Match outcomes are being reviewed although alternative methodologies are being followed in some cases.

It should be noted that Council Tax data is matched annually, while this was not available in 2020 it is expected that this will be available for matching this calendar year.

The Council is no longer responsible for undertaking Housing Benefit investigations, however, Audit & Anti-Fraud (AAF) are required to undertake a large volume of enquiries in support of DWP investigations into Housing Benefit fraud.

Hackney has agreed to provide DWP officers with direct access to our Housing Benefit records, although the timescale for doing this has been adversely impacted by Covid-19. When this trial is able to proceed it is expected that this will reduce the financial burden in providing support to Housing Benefit investigations undertaken by the DWP.

4. Analysis of Outcomes

Investigations can result in differing outcomes from prosecution to no further action. Table 4 below details the most common outcomes that result from investigations conducted by the Anti-Fraud Teams.

Outcome	Reporting Period	2021/22 to date	2020/21
Disciplinary action	0	0	2
Resigned as a result of the investigation	0	0	2
Referred to Police or other external body	3	3	3
Prosecution	0	0	6
Referred to Legal Services	0	0	0
Investigation Report/Management Letter issued	2	2	5
Council service or discount cancelled	12	12	71
Covid19 grants cancelled	3	3	26
Blue Badges recovered	47	47	47
Other fraudulent parking permit recovered	0	0	7
Parking misuse warnings issued	17	17	20
Penalty Charge Notice (PCN) issued	55	55	46
Vehicle removed for parking fraud	36	36	31
Recovery of tenancy	17	17	11
Housing application cancelled or downgraded	0	0	94
Legal action to recover tenancy in progress	87	87	n/a
Right to Buy application withdrawn or cancelled	0	0	1

Table 4

5. Financial Losses as a Result of Fraud

The most apparent consequence of many frauds is a financial loss, however, it needs to be noted that it is not always possible to put a value in monetary terms. In many cases the direct financial loss accounts for only a small amount of the total cost of the fraud, with the additional amount comprising intangibles such as reputational damage, the cost of the investigation and prosecution, additional workplace controls, replacing staff involved and management time taken to deal with the event and its' aftermath.

The following are estimates of the monetary cost for some of Hackney's priority investigation areas based (where relevant) upon the values that the Audit Commission previously calculated as a reasonable estimate of the value nationwide:

5.1 Tenancy Fraud Team (TFT)

During the period April to September 2021 a total of 17 tenancies have been recovered by the TFT. Using the Audit Commission figure for the estimated cost of temporary accommodation of £18,000 pa, this equates to a saving of £306,000.

These results follow a resumption of some duties which had been suspended during the worst of the pandemic; these activities resumed in July. For comparison, 6 tenancies were recovered in the period April to September 2020, and 39 were recovered in 2019.

5.2 No Recourse to Public Funds Team (NRPF)

An average weekly support package valued at c£387 is paid to each family supported (applicable to the 'service cancelled' category in Table 4). In the period April to September 2021 11 support packages were cancelled or refused following AAF investigations. This equates to a saving in the region of £4,257 per week, if these had been paid for the full financial year it would have cost Hackney approximately £221,972.

5.3 Parking Concessions

The Audit Commission estimated the cost of each fraudulently used Blue Badge to be £100 (equivalent to on-street parking costs in the Hackney Central parking zone for less than 39 hours). Fees of £65 are also payable where a Penalty Charge Notice is issued as part of the enforcement process, or £265 if the vehicle is removed. In this period AIT recovered 47 Blue Badges, this equates to £4,700, enforcement charges of £10,775 also arose.

The cost for these types of fraud is far greater in terms of the denial of dedicated parking areas to genuine blue badge holders and residents, and the reputational damage that could be caused to Hackney if we were seen not to be tackling the abuse of parking concessions within the borough.

6. Matters Referred from the Whistleblowing Hotline

All Hackney staff (including Hackney Homes and Hackney Education) can report concerns about suspected fraud and other serious matters in confidence to a third party whistleblowing hotline. Other referral methods are available (and may indeed be preferable from an investigatory perspective), however, the hotline allows officers to raise a concern that they might not otherwise feel able to report. No referrals were received via the hotline in the reporting period.

7. Regulation of Investigatory Powers Act (RIPA) Authorisations

RIPA is the legislation that regulates the use of surveillance by public bodies. Surveillance is one tool that may be used to obtain evidence in support of an investigation, where it can be demonstrated to be proportionate to the seriousness of the matter concerned, and where there is no other less intrusive means of obtaining the same information.

Because surveillance has the potential to be a particularly intrusive means of evidence gathering, the approval process requires authorisation by a nominated senior Hackney officer (Corporate Head of Audit, Investigations & Risk Management/Director/Chief Executive) and approval by a magistrate. Although Hackney will use its surveillance powers conferred by RIPA when it is appropriate to do so, no application has been made in the current financial year.

8. Proceeds of Crime Act (POCA) Investigations

POCA investigations can only be undertaken by accredited officers, as are currently employed by AAF. The Council is able to benefit financially from the use of POCA investigation powers. The amount awarded to the Council is greater in instances where the Council is both the investigating and prosecuting authority. The Council's investigation processes are supported by POCA in four principal ways: -

- Providing access to financial information in connection with a criminal enquiry, subject to approval by Crown Court by way of a **Production Order**.
- Preventing the subject of a criminal enquiry from disposing of assets prior to a trial, where these may have been obtained from criminal activity, by use of a **Restraint Order**, subject to Court approval.
- Recognising that offenders should not be able to benefit from their criminal conduct through the use of **Confiscation Orders**. These allow the courts to confiscate any benefit that a defendant may have received as a result of their crime.
- Under the confiscation process the courts are also able to ensure that victims are compensated for their loss by way of a **Compensation Order**.

Type of Order	Number authorised in period	2021/22 to date	2020/21
Production	0	0	0
Restraint	0	0	0
Compensation	0	0	0
Confiscation	0	0	0
Total	0	0	0

Table 5

So far this year the Council has not received any income as a result of POCA Confiscation and Compensation Orders. It should be noted that funds awarded from successful POCA investigations can often be received some time after the investigation is reported.