

THURSDAY, 26 JULY 2018

REPORT OF THE HEAD OF AUDIT & GOVERNANCE

COUNTER FRAUD UPDATE

EXEMPT INFORMATION

None

PURPOSE

To provide Members with an update of Counter Fraud work completed during the financial year 2017/18.

RECOMMENDATIONS

That the Committee:

- 1 Considers this report and raises any issue it deems appropriate; and**
- 2 Endorses the Fraud Risk Register Summary (Appendix 1)**

EXECUTIVE SUMMARY

In line with good practice, a Fraud Risk Register is maintained and reviewed on a quarterly basis. The latest Fraud Risk Register Summary is attached as **Appendix 1**.

Work has progressed on the data matches identified through the National Fraud Initiative (NFI) in the 2016/17 run which was released in February 2016. In total, 1113 matches were processed with 7 errors identified with a total error cost of £4,337. In addition to the main NFI data match, additional matches are highlighted through the year for Council Tax Single Persons Discount. 1393 matches were investigated which identified 1 error of £427. The next NFI run is due Autumn 2018.

Following the move of the Housing Benefits Fraud Investigations to the Single Fraud Investigation Service at the Department of Work and Pensions, the Authority has a dedicated Corporate Anti-Fraud Investigations Officer who has been in post since September 2015. This ensures that the Authority is taking a more proactive approach to fraud rather than a reactive approach previously adopted. As well as continuing with the work on the NFI matches previously identified and new matches as they are identified, the Corporate Anti-Fraud Investigations Officer's current case load includes ongoing investigations into potential fraud in these areas – NNDR, Council Tax Reduction, Single Persons Discount, illegal subletting of council housing and non-residence of council housing. Investigations concluded have identified 23 cases of fraud (the housing benefit

frauds identified through the NFI are not included in this figure). Details of the types of fraud, number investigated, proven and the monetary value is detailed below.

Type of Fraud Case	Number of cases investigated	Number of cases proven	Value £
Council Tax Single Persons Discount	4	2	313
Council Tax - other	1	1	757
Housing Benefits	7	0	
Council tenancy Subletting	4	1	18000
Council Tenancy – non residence	4	0	
Council Tenancy - Other	1	1	18000
Housing Waiting List	8	2	6560
Right to Buy	13	0	
Refund fraud	1	1	16036
Total	43	8	59666

The figure of £18,000 for removing someone from their tenancy is the amount the Audit Commission estimated in their publication “Protecting the Public Purse 2010” This is derived by estimating the need to house homeless families in temporary accommodation; annual safety repair, adaption and maintenance costs; social housing administration and housing management costs; and any long-term borrowing costs incurred to provide social housing.

The Cabinet Office has estimated that the cost saving for the removal from someone from the housing waiting list is £3,260, we have also applied this to the re-banding of someone on the waiting list.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

There is a risk that the Authority will not have sound governance processes in place.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

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LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Fraud and Corruption Risk Register

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