

THURSDAY, 6 JUNE 2019

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

COUNTER FRAUD UPDATE

EXEMPT INFORMATION

None

PURPOSE

To provide members with an update of the Counter fraud work completed during the 2018/19 financial year.

RECOMMENDATIONS

It is recommended that:

1. The Committee considers the report and raises any issue it deems appropriate.

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 and the 2018/19 run which was released in February 2019.

The results of the matches are:

| Run | Processed | Errors | Amount | Recovering No | Recovering amount |
|-------------------------|-----------|--------|----------|---------------|-------------------|
| 18/19 general (to date) | 774 | 8 | £22,872* | 1 | £192 |
| 18/19 SPD | 706 | 2 | £635 | 2 | £635 |
| 16/17 general | 1113 | 3 | £4,338 | 3 | £4,338 |
| 16/17 SPD | 1621 | 76 | £39,705 | 76 | £39,705 |

*The Cabinet Office has estimated that the cost saving for the removal of someone from the housing waiting list is £3,260, there were 7 cases that fell into this category.

The Authority has a dedicated Corporate Anti-Fraud Investigations Officer who has been in post since September 2015. This is to ensure that the Authority is taking a more proactive approach to fraud rather than reactive as previously adopted. As well as continuing with the work on the NFI matches previously identified, the Investigations Officer also completes

investigations into potential fraud in other areas including NNDR, Council Tax Reduction, Single Persons Discount, illegal sub-letting and non-residence of council housing. Investigations concluded have identified 1 additional case of fraud, in addition to those highlighted through the NFI. The type and number of investigations completed is detailed below.

| Type of fraud case | Number of cases investigated | Number of cases proven | Value |
|---------------------------|-------------------------------------|-------------------------------|--------------|
| Council tax reduction | 4 | 1 | £3,862 |
| Housing Benefit | 7 | - | - |
| Housing – non resident | 2 | - | - |
| Housing - other | 1 | - | - |
| Housing sublet | 4 | - | - |

In addition to the above, we have proactively checked 78 applications at application stage.

The Fraud Action Plan for 2018/19 is attached at **Appendix 2** and shows the work completed to date.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

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

EQUALITIES IMPLICATIONS

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Fraud and Corruption Risk Register
Appendix 2 Fraud Action Plan 2018/19

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