

Report to: Audit & Governance Committee Meeting 23
November 2022

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Resources and Section 151 Officer

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Report Summary	
Report Title	Counter-Fraud Activities from 1 April 2022 to 30 September 2022
Purpose of Report	To inform Members of counter-fraud activity undertaken since the last update reported on 1 December 2021.
Recommendations	That Members note the report
Reason for Recommendation	To promote a strong counter-fraud culture, it is important that Members are aware of the Council's response to fraud and the results of any actions taken.

1.0 Background Information

1.1 An element of the role of the Audit & Governance Committee is to provide assurance to the Council that its anti-fraud arrangements are operating effectively. In order to do this, counter-fraud activity reports are brought to the Committee twice a year. These reports detail the number of cases detected, amounts lost, the outcome of cases and amounts recovered, together with any other counter fraud work that has been undertaken.

2.0 Counter Fraud Detection

2.1 The Housing Benefit fraud team was transferred to the Fraud and Error Service at the Department for Works and Pensions on 1 December 2015.

2.2 Any housing benefit cases identified as potentially fraudulent are referred to the Fraud and Error Service at the DWP for investigation.

2.3 Referral procedures have been established and since 1 December 2015, **289** (last report 231) potentially fraudulent claims for housing benefit have been referred to the Fraud and Error Service for investigation.

3.0 Other Counter-Fraud Work

Business Grants

- 3.1 As part of the Council's response to the COVID-19 Pandemic, grants were given to Businesses through a number of Government initiatives. A data matching exercise has been conducted through the National Fraud Initiative and of 2,269 grants, 749 were flagged as requiring a review.
- 3.2 All of the 749 cases have been reviewed and 2 have been recorded as fraud. The Government Department BEIS requested details of any fraud cases that were currently live whereby payments have yet to be recovered. During February 2022, officers submitted the two cases to BEIS for their review, to ensure that all reasonable steps had been taken to recover the debt. During September 2022, BEIS contacted the Council requesting additional information in relation to the two fraud cases to ensure that all reasonable recovery action had taken place prior to agreeing to take on the debt.
- 3.3 BEIS agreed that they were satisfied the Council had taken all reasonable steps in the recovery of the debt, and hence were comfortable with taking on the burden of recovering the debt themselves, absolving the Council of the responsibility of recovering the money.

Fraud Risk Register

- 3.4 Based on the Fraud Risk Register that was presented to the committee on the 27 July 2022, the table below shows progress against the identified actions:

Action	Due Date	Update	Revised date
Refresh Housing Benefit Anti-Fraud Strategy	September 2022	Work still to progress and will update the website when complete	March 2023
Refresh training session for Benefits staff on counter fraud	September 2022	To be scheduled for the next Revenues and Benefits Team meeting	February 2023
Corporate fraud campaign developed	March 2023	Communications Business Unit have started to liaise with various risk owners in order to put create fraud campaign	March 2023
Whistleblowing policy to be updated and approved	September 2022	Work yet to be started	March 2023
Housing Benefit Matching Service Accuracy Initiative to be implemented with DWP	May 2022	Now business as usual	Complete
Proactive NDR review - Use analytical approach to target main business rate payers in line with best practice	March 2023	Now business as usual	Complete

Gifts and Hospitality Policy to be updated and approved	November 2022	Work yet to be started	March 2023
Review current credit balances and suspense, and return to monthly reviewing	March 2023	Current workload does not allow, but anticipated still for March 2023	
Adoption of Corporate Asset Management Plan	June 2022	Approved at Cabinet -	Complete
Estate Rationalisation approved at Cabinet	December 2022	Work is currently underway and it is anticipated to take this to Cabinet in March 2023	March 2023
Ensure Managers know the signs of trafficking so they can raise concern as appropriate by providing annual refresher training	September 2022	Modern Slavery awareness module sent to all recruiting managers during November 2022	Complete
Refresher training on identity validation for all HR and recruiting managers	December 2022	Work yet to progress	December 2022
Validate new starters end date of previous employment	December 2022	Work yet to progress	December 2022
Data analysis of payroll information and costs	December 2022	New HR/Payroll system has been implemented during November. Reports will be created over the next couple of months in order to analyse this information	March 2023
Investigate feasibility of the creation of a Countywide Insurance group	July 2022	Initial contacts made, but limited interest, due to different structures for dealing with insurance	March 2023
Recruitment of a new permanent Insurance officer with a comprehensive training plan	July 2022	Officer appointed during June 2022	Complete
Review the assurance from the insurers regarding fraud	December 2022	Meeting with Insurers prior to the end of November to progress this discussion	December 2022
To implement impending Government legislation regarding personal ID checks at polling stations	May 2023	Awaiting final legislation, regulations and guidance prior to implementation	May 2023
Spot checks of closure of enforcement cases	July 2022	This has now become standard practice	Complete

Recap counter fraud training with Planning staff	July 2022	This has been raised within Team meetings, and will continue to be on the agenda in future	Complete
Inclusion of the annual number of sub-letting reports in the Council's approved performance monitoring framework	April 2022	This is now being reported on in line with corporate reporting	Complete
Implementation of annual refresh of supporting documentation where applications are older than one year on the housing register	March 2023	Work is currently underway in order for this to commence from April 2023	March 2023
Report on the findings of "Getting to know you visits" to the Portfolio Holder for Housing and Health	March 2023	Visits commenced from October 2021, annual reporting to commence from April 2023	March 2023

4.0 The National Fraud Initiative (NFI)

- 4.1 The National Fraud Initiative (NFI) is a data-matching exercise where electronic data is collected from numerous agencies including police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies. The data collection is carried out by the Cabinet Office and is reviewed for any matches that might reveal fraudulent activity. e.g. a record of a person's death exists, but that person is still claiming state pension. The potential matches are sent to individual bodies for investigation to check if there is another, innocent explanation. Most data sets are currently submitted every two years, apart from single person discount data which is submitted every year.
- 4.2 During 2021/22 3,181 Council Tax single person discount awards were investigated. Of the matches generated by NFI, 244 cases of suspected fraud were identified 40 cases of error amounting to £129,906.
- 4.3 Of the other data sets 163 cases have been processed and of these 27 cases have been classified as error, mainly due to deceased persons that were still registered on the housing waiting list.
- 4.4 A County wide approach is currently being implemented for the single person discount 2022/23 exercise – at present a third party has been selected to conduct the exercise with the major preceptors agreeing to pay the costs pro rata according to the % share of the Council Tax bill.
- 4.5 Contracts are being drafted so that the exercise can then commence which will combine the NFI data matches to other credit reference agency data sets to improve the quality of the matches.

Background Papers and Published Documents

Nil.