

Report to: Audit & Governance Committee Meeting 14 June 2023

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director – Resources and Section 151 Officer

Lead Officer: Nick Wilson, Assistant Business Manager Financial Services on ext 5331

Report Summary	
Report Title	Counter-Fraud Activities from 1 October 2022 to 31 March 2023
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 The Fraud and Error Service has (currently) referred back 13 cases that they have investigated and determined they should be classed as fraud or error. Invoices will be issued and recovery action followed for any calculated overpayments for these referrals.

3.0 Other Counter-Fraud Work

Fraud Risk Register

3.4 Based on the Fraud Risk Register that was presented to the committee on the 27 July 2022 (updated to include the actions identified during the refer of the Fraud Risk Register presented to this committee on 14th June 2023) the table below shows progress against the identified actions:

Action	Due Date	Update	Revised date
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 2024
Whistleblowing policy to be updated and approved	September 2022	Work yet to be started	Complete
Gifts and Hospitality Policy to be updated and approved	November 2022	Work yet to be started	Complete
External Council Tax Single Person Discount review	New		March 2024
Review current credit balances and suspense, and return to monthly reviewing	March 2023	Current workload does not allow, but anticipated still for March 2023	Complete
Estate Rationalisation approved at Cabinet	December 2022	Work is currently underway and it is anticipated to take this to Cabinet in September 2023	September 2023
Ensure Managers know the signs of trafficking so they can raise concern as appropriate by providing annual refresher training	September 2022	Creation of fact sheet to be available on the intranet for employing managers by September 2023	September 2023
Advice regarding identity validation available on the intranet	December 2022	Work yet to progress	September 2023
Update onboarding process to include declaration from new employee to confirm other employment is terminated	December 2022	Work yet to progress	September 2023
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	December 2023

		of months in order to analyse this information	
Relevant training programme completed by newly recruited officer	New		September 2024
Investigate possibility of developing/purchasing a database to assist with Council wide management of claims	New		September 2023
Investigate robustness of fraud messages through all correspondence	New		June 2023
To implement impending Government legislation regarding personal ID checks at polling stations	May 2023	Awaiting final legislation, regulations and guidance prior to implementation	Complete
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 September 2023	September 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. There are currently 19 cases being investigated.
- 4.4 A County wide approach was being planned for the single person discount 2022/23 exercise – due to resource issues this is now being conducted during 2023/24. 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 have been 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.