



Report to: Audit & Governance Committee Meeting
22 November 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
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Report Summary	
Report Title	Counter-Fraud Activities from 1 April 2023 to 30 September 2023
Purpose of Report	To inform Members of counter-fraud activity undertaken since the last update reported on 14 June 2023.
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. These referrals are scored by DWP, and a decision made by them to either consider a criminal investigation, refer to the Compliance team or

take no action. Due to referrals being scored, the Council is not always notified of the outcome of the referrals made. The Council does, however, administer any changes that may affect the entitlement to Housing Benefit.

- 2.3 For 2022/23 7 referrals have been made to the Fraud and Error Service. For 2023/24 to date, 2 referrals have been made. It is expected there will be a reduction in the number of referrals being made to the Fraud and Error Service as the working age Housing Benefit caseload migrates to Universal Credit.
- 2.4 The Fraud and Error Service also request information from the Council where there is a Housing Benefit interest for cases they are investigating. For 2022/23 32 requests were received requesting further information, together with 19 so far to date in 2023/24.
- 2.5 The DWP issue a monthly data match exercise to score the Housing Benefit caseload to identify those cases with the highest risk. In addition, HMRC will issue daily alerts for those Housing Benefit cases that may be subject to a change in earnings and private pensions. Both functions allow the Council to ensure the income details used in the Housing Benefit calculations are as accurate as possible.

3.0 Other Counter-Fraud Work

Fraud Risk Register

- 3.1 Based on the Fraud Risk Register that was presented to the committee on the 14 June 2023 the table below shows progress against the identified actions:

Action	Due Date	Update	Revised date
Corporate fraud campaign developed	March 2024	Communications Business Unit have started to liaise with various risk owners in order to put create fraud campaign	
External Council Tax Single Person Discount review	March 2024	Work is ongoing to complete this review	
Ensure Managers know the signs of human trafficking so they can raise concern as appropriate by providing annual refresher training	September 2023	Creation of fact sheet to be available on the intranet for employing managers by November 2024	November 2024
Advice regarding identity validation available on the intranet	September 2023	Creation of fact sheet to be available on the intranet for employing managers by November 2024	November 2024

Refreshing recruitment manager training through updating recruitment process, enabled via new ICT solution	September 2023	Work is ongoing with the ICT supplier to build the recruitment portal. It is anticipated this will be complete and live by January 2024.	January 2024
Update onboarding process to include declaration from new employee to confirm other employment is terminated	September 2023	Work is ongoing with the ICT supplier to build the recruitment portal. It is anticipated this will be complete and live by January 2024.	January 2024
Write off Policy review and approved by Policy, Performance Improvement Committee	September 2023	Work to progress	January 2024
Data analysis of payroll information and costs	December 2023	Complete	
Relevant training programme completed by newly recruited officer	September 2024	Still expected to be complete by September 2024	
Investigate possibility of developing/purchasing a database to assist with Council wide management of claims	September 2023	To be reviewed within the scope of the tender submission for Insurance function	March 2024
Investigate robustness of fraud messages through all correspondence	June 2023	Initial review of external correspondence has been reviewed and updated. A full review of all communications including internal yet to be completed.	December 2023
Report on the findings of "Getting to know you visits" to the Portfolio Holder for Housing and Health	September 2023	Visits commenced from October 2021, annual reporting to commence from January 2024	January 2024

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 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. The exercise is expected to be completed by 31st March 2024.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Nil.