



Report to: Audit & Governance Committee Meeting
31 July 2024

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 October 2023 to 30 April 2024
Purpose of Report	To inform Members of counter-fraud activity undertaken since the last update reported on 22 November 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 for investigation, likewise the Fraud and Error service when

investigating other national benefits will request information from us if there is a housing benefit indicator.

- 2.3 For 2023/24 1 referral has been received from the Fraud & Error Service, resulting in a Housing Benefit overpayment of £47,562.00.

The Fraud & Error Service also issued 23 requests for information from us regarding potential fraudulent claims.

- 2.4 In addition, the Department for Work and Pensions issue monthly data matches they have deemed as high risk for investigation.

- 2.5 HMRC also issue notifications of earning and pensions changes each month which are checked against existing housing benefit and council tax support claims to ensure that up to date figures have been used in any assessment. For the period 1st April 2023 to 31st March 2024 76 notifications were received from HMRC.

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	Complete	
External Council Tax Single Person Discount review	March 2024	Complete	
Ensure Managers know the signs of human trafficking so they can raise concern as appropriate by providing annual refresher training	September 2023	Complete	
Advice regarding identity validation available on the intranet	September 2023	Complete	
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. Some managers have been trained, but only those that are frequent recruiters. It is anticipated that the solution will be complete and live by September 2024.	September 2024

Update onboarding process to include declaration form for new employee to confirm other employment is terminated	September 2023	Complete	
Relevant training programme completed by newly recruited officer	September 2024	Complete	
Investigate possibility of developing/purchasing a database to assist with Council wide management of claims	March 2024	Complete	
Investigate robustness of fraud messages through all correspondence	December 2023	Complete	
Report on the findings of "Getting to know you visits" to the Portfolio Holder for Housing	January 2024	Complete	
Review potential of using Analyse Local to look at Council Tax liability by March 2025	New action		
Refresher training/awareness of potential fraud activities e.g refund fraud in May 2024	New action	Complete	
Update Acquisition and Disposal policy by March 2025	New action		
Ensure all properties receive an annual inspection by August 2024	New action		
Review Cyber security ahead of General Election	New action	Complete	

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 As an alternative approach to previous years, a County wide single person discount review was conducted during 2023/24 by a third party 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.
- 4.3 In total, following a rigorous data matching exercise with Experian and a further in-depth filtering process where 15,771 single person discount cases were validated as correctly claiming the discount, initial canvass letters were issued to the remaining 3,840 households on 10th January 2024 requiring households to validate their single person discount status or provide updated details with regard to who is living at the property.
- 4.4 Reminder letters being issued to 1,697 households on 30th January 2024 due to no response. At the end of the SPD review process 664 households had failed to respond to both review letters and as such, were subject to their discount being removed with effect from 1st April 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.