

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 22 NOVEMBER 2016

CORPORATE COUNTER-FRAUD MID YEAR REVIEW

REPORT BY RICHARD STIFF, CHIEF EXECUTIVE

ABSTRACT

This report provides a summary of the work undertaken by the Corporate Fraud Team (CFT) during the 6 months to 30 September 2016.

1. RECOMMENDATION

It is recommended that the Scrutiny and Audit Committee review and scrutinise the contents of the report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report supports services in the delivery of all local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016.

3. BACKGROUND

On 1 May 2015 the responsibility for investigating allegations of Housing Benefit fraud in Angus transferred to the Department for Work and Pensions Single Fraud Investigation Service (SFIS). All other corporate fraud work remains the responsibility of the Council.

The Council has a zero tolerance approach to fraud and corruption and the existence of a professional Corporate Fraud Team (CFT) within the Chief Executive's Unit demonstrates the Council's commitment to its objectives.

4. 2016/17 OVERVIEW

4.1 In accordance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption the CFT has continued to carry out data matching exercises to identify fraud and error. The pro-active initiative which commenced in 2015/16, matching Council Tax Single Person Discount records to SEEMiS, the Council's Education database is ongoing. This data match will now be carried out annually. The CFT has also matched Council Tax Student Exemptions to student lists provided by universities and colleges.

4.2 In addition to data matching initiatives, the CFT examines any allegations of fraud received; identifies benefit overpayments which are recoverable; and works in collaboration with colleagues throughout the Council. The table below summarises the results of the CFT activity in the 6 months to 30 September 2016.

Performance Summary 2016/17 as at 30 Sep 2016	
HB/CTB Overpayments	£14,628
CT Discounts	£762
CT Reduction	£3,778
Data matching - SPD/SEEMiS	£18,986
Data matching - Students	£15,920
TOTAL	£54,074
SPOC overpayments*	£38,358
Tenancy Fraud	2 recovered

* CFT investigators support DWP colleagues as single points of contact for investigations which include HB/CTB/CTR.

4.3 An investigation has led to one Angus Council employee, who was involved in benefit fraud, being the subject of an internal disciplinary process.

5. COUNTER FRAUD POLICIES

5.1 Angus Council is committed to minimising the risk of loss due to fraud or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside.

5.2 A review of the Counter-Fraud and Corruption Strategy and the framework in place to support this strategy was undertaken to demonstrate this commitment. As a result the following policies were revised and submitted to the Scrutiny & Audit Committee on 23 August 2016. They were subsequently approved by the Policy & Resources Committee on 30 August 2016.

- Counter-Fraud and Corruption Strategy
- Fraud Response Plan
- Whistleblowing Policy

(Report 308/16 refers)

5.3 To promote and enforce the Counter Fraud Strategy and framework, all of these documents can be found on the Council's intranet. They have been highlighted on the intranet carousel and in the weekly mini matters. A counter-fraud web page has also been developed which contains links to the Strategy and the Whistleblowing Policy.

6. FUTURE PLANS

6.1 Data matching opportunities will be used on an ongoing basis to identify fraud and error.

6.2 Participation in the National Fraud Initiative (NFI) is an integral part of the Council's corporate approach to the prevention and detection of fraud and error. The data for NFI 2016/17 was uploaded to the NFI secure website in October 2016. Matches will be received in the early part of 2017 and will be reviewed and investigated, where appropriate, by the CFT.

6.3 Tenancy fraud is recognised as one of the most significant areas of fraud committed against local authorities. In an effort to address this issue the CFT aim to develop the collaborative working arrangements with housing colleagues. An NFI dataset will also address further, the issue of tenancy fraud.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report. Where overpayments are identified in the benefits/discounts paid by Angus Council the repayment of these results in recovered income for the Council. However, it is not always possible to make full recovery.

8. EQUALITIES IMPLICATIONS

The issues contained in the report fall within an approved category that has been confirmed as exempt from an equalities perspective.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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