

**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 21 NOVEMBER 2017**

**CORPORATE COUNTER-FRAUD MID YEAR REVIEW**

**REPORT BY SHÂN COOMBS, ACTING SERVICE MANAGER GOVERNANCE AND  
CONSULTANCY**

**ABSTRACT**

This report provides a summary of the work undertaken by the Corporate Fraud Team (CFT) during the 6 months to 30 September 2017.

**1. RECOMMENDATION**

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

**2. ALIGNMENT TO THE LOCAL OUTCOMES IMPROVEMENT PLAN (LOIP) AND COUNCIL PLAN**

This report contributes to the outcomes outlined in the Local Outcomes Improvement Plan, Locality Plans and Council Plan, which focus on the economy, people and place.

**3. BACKGROUND**

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.

Reference is made to Report 218/17 presented to this committee on 22 June 2017.

**4. 2017/18 OVERVIEW**

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 16/17, matching Council Tax Student Exemptions and Discounts to student lists provided by universities and colleges is now complete. This initiative resulted in the removal of exemptions and discounts totalling £39,313.

The CFT has recently matched Council Tax Single Persons Discount to the Electoral roll. The cases resulting from this match are being examined currently.

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 2017 and the recoverable savings identified in this period.

## Performance Summary 2017/18 as at 30 Sep 2017

HB Overpayments	£27,448
CT Discounts	£1,736
CT Reduction	£11,454
Data matching - SPD/SEEMiS	£1,673
Data matching - Students	£6,683
Data matching – SPD/Electoral Roll	£14,651
<b>TOTAL</b>	<b>£63,645</b>
SPOC overpayments*	£66,976
Tenancy Fraud	3 recovered

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

### Employee Investigations

An Employee Fraud Investigation Framework has been developed which clarifies the roles and responsibilities of Counter Fraud and Human Resources staff when dealing with employee investigations. This framework also ensures that a consistent approach is taken in every case.

Two Angus Council employees have been referred to HR recommending internal disciplinary proceedings. One of the investigations involved misuse of the flexi system and the other was as a result of benefit fraud.

### National Fraud Initiative

The National Fraud Initiative is a major counter-fraud initiative which is undertaken every two years. NFI matches electronic data held on individuals within and between public and private sector bodies to prevent and detect fraud. NFI matches were received in early 2017 and the review and investigation of appropriate cases is ongoing.

A report was submitted to this committee in August 2017 which provided an NFI 2016 progress update (report 280/17 refers).

The Scottish Parliament's Public Audit and Post-Legislative Scrutiny Committee have undertaken a post-legislative scrutiny review of the National Fraud Initiative. The committee's report has been published online and a link is included here for members' information and interest: <https://sp-bpr-en-prod-cdneq.azureedge.net/published/PAPLS/2017/9/25/Post-legislative-Scrutiny--The-National-Fraud-Initiative/PAPLSS052017R2.pdf>

## 5. FUTURE PLANS

Data matching is essential to validate data and identify fraud and incorrectness. The CFT are working collaboratively with IT colleagues to develop data matching techniques and to automate fraud detection, where possible.

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. Fraud awareness training will continue to be rolled out to all appropriate staff.

The CFT will undertake self-assessment against best practice, to review and assess counter fraud arrangements within the council.

The CFT will continue to work to manage resources to counter fraud and ensure the ongoing safeguarding of public resources. This will play a significant role in protecting public assets.

## **6. FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report. Where overpayments are identified in the benefits/discounts awarded by Angus Council the repayment of these results in recovered income for the Council.

**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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