

ANGUS COUNCIL

**SCRUTINY AND AUDIT COMMITTEE – 20 NOVEMBER 2018
POLICY AND RESOURCES COMMITTEE – 27 NOVEMBER 2018**

CORPORATE COUNTER FRAUD REVIEW 2018/19

REPORT BY CHIEF EXECUTIVE

ABSTRACT

This report summarises the activity undertaken by the Corporate Fraud Team (CFT) in the six months to 30 September 2018.

1. RECOMMENDATIONS

It is recommended that the Scrutiny and Audit Committee:-

- (i) review the revised Counter-Fraud and Corruption Strategy; Fraud Response Plan; and Whistleblowing Policy and provide any comment,
- (ii) commend the documents to the Policy and Resources Committee for approval.

It is recommended that the Policy and Resources Committee:-

- (iii) note any commentary from the Scrutiny and Audit Committee,
- (iv) approve the revised Counter Fraud and Corruption Strategy; Fraud Response Plan; and Whistleblowing Policy.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report supports the Council's zero tolerance approach to fraud and corruption, which in turn supports services in the delivery of corporate priorities set out in the Local Outcomes Improvement Plan and the Corporate Plan.

3. BACKGROUND

The CFT is a specialist investigative team which operated in 2018/19 within the Internal Audit Service reporting to the Chief Executive. The continued work of the CFT plays a key role in the Council's response to the risk of fraud and corruption.

The Council's management review saw the appointment of a Team Leader - Counter Fraud in July 2018.

4. 2018/19 OVERVIEW

Counter Fraud Policies

The Council's Counter Fraud and Corruption Strategy; Fraud Response Plan and Whistleblowing Policy have each been revised in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption (appendices 1, 2 & 3, amendments are summarised on each document). These documents reflect the Council's zero-tolerance position on fraud, set out the responsibilities of officers and contribute to fraud prevention.

Corporate Fraud

Investigations have been undertaken and recommendations made in respect of working practices in Infrastructure Services; Schools & Learning; Children, Families & Justice; and Communities.

These allegations were investigated in accordance with the Council's Fraud Response Plan. The findings of the investigations are reported to management to allow appropriate action to be taken to improve internal controls. These reports are sent to the Section 95 Officer and the Monitoring Officer, where appropriate.

Data Matching

The CFT has continued to carry out data matching exercises to identify fraud and error. An exercise which matched Council Tax Single Persons Discount (SPD) Records to Electoral Roll records is ongoing and nearing completion.

Recoveries

The CFT scrutinises all allegations of fraud received and, where applicable, works with colleagues across the Council to investigate. The table below summarises the results of the CFT activity in the 6 months to 30 September 2018.

Performance Summary 2018/19 as at 30 Sep 2018	
Housing / Council Tax Benefit Overpayments	£6,027
Council Tax Discounts / Reduction	£719
Data matching – SPD / Electoral Roll	£49,361
TOTAL	£56,107
DWP benefit overpayments*	£13,789
Tenancy Fraud properties recovered	2
Corporate Fraud closed with recommendations	5

*CFT investigators support Department for Work and Pensions colleagues as single points of contact for investigations which include HB/CTB/CTR.

5. FUTURE PLANS

Two new data matching exercises have being commissioned with Council IT colleagues comparing Council Tax Single Person Discount records to SEEMiS, the Council's Education database, and matching Council Tax Empty Farm Cottages records with the Electoral Roll.

The Council is a mandatory participant in the National Fraud Initiative and work is being done across the Council to provide data for the exercise. The receipt of matches for investigation is scheduled for 31 January 2019.

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. CONCLUSION

The CFT has been successful in contributing to the Council's aims and vision for efficiency and effectiveness. In addition to the financial savings the specialist investigative service provided by the Counter Fraud Team emphasises fraud prevention and strengthens the council's governance arrangements by improving internal controls and safeguarding assets.

7. FINANCIAL IMPLICATIONS

During the six month period to 30 September 2018, the CFT identified savings in excess of £56k from investigative work and a further £13k of fraud and error in Housing Benefits and Council Tax through the sharing of intelligence with the Department for Work and Pensions. Action is taken by Angus Council to recover these monies.

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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List of Appendices:

1. Counter Fraud and Corruption Strategy
2. Fraud Response Plan
3. Whistleblowing Policy