

ANNUAL FRAUD REPORT 2015/16

1 Purpose

- 1.1 To receive an update on the anti fraud and corruption work that has taken place over the last 12 months. This includes a progress update on the actions identified in the fraud risk benchmarking assessment which were reported in January 2016 and a full year report on the activity of the Compliance Team for 2015-16.

2 Recommendations/for decision

- 2.1 The committee is recommended to note the full year report of the Compliance Team and the updated fraud action plan.
- 2.2 The committee is also asked to endorse, and promote the Council's fraud statement to other members.

3 Supporting information

- 3.1 An assessment of the Council's governance structures and processes against the CIFPA "Code of practice on managing the risk of fraud and corruption" was presented to Audit Committee in January 2016.
- 3.2 At that time the Council was performing at 40% of the CIPFA standard. At their January 2016 meeting Audit Committee commented that the Council might want to consider setting a target of performing to 60-65% of the CIPFA code
- 3.3 The action plan presented in January 2016 has been updated and is attached as Appendix 1 to the Fraud Report.
- 3.4 An Anti-Fraud and Corruption Statement has been included on the first page of the attached Fraud Report and the committee is asked to endorse, and promote this statement to other members.
- 3.5 In March 2015 the Fraud Investigation Team transferred to the DWP Single Fraud Investigation Service as part of the governments aims to try to tackle welfare benefit fraud. Since then the Council has had no resource dedicated to fraud investigation.
- 3.6 The Compliance Team which is part of the Revenues and Benefits Service has been established to undertake interventions and reviews of customer's council tax liability, housing benefit and council tax reduction entitlement, and to ensure account/claim records are correct, identifying errors and recovering overpayments as well as applying penalties where appropriate.
- 3.7 A report is attached as Appendix 3 of the Fraud Report which summarises the outcomes of the Compliance Team work for 2015-16. The total overpaid benefits identified through the work of the Compliance Team during the year 2015/2016 was £1.7million.

4 Reasons for Recommendation

- 4.1 The Audit Committee is responsible for obtaining assurance that there are effective policies, processes and arrangements in place for the prevention and detection of fraud.

5 Resource implications

There are no resource implications to report.

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Background Documents	None

Annual Fraud Report 2015/16

Managing the risk of fraud and corruption



July 2016

Managing the risk of fraud and corruption

1. Background

The vast majority of people in the UK do not commit fraud or avoid paying debts because they have a strong sense of moral obligation, justice and fairness, which is shared by those around them. In other words, there is a strong social norm against committing acts of fraud and avoiding paying debts.

It is accepted that fraud affects the UK across all sectors and causes significant harm. The Annual Fraud Indicator 2016, indicates that fraud could be costing the UK economy £193bn, with Public Sector fraud estimated at £37.5bn per year. The estimated loss to local and regional government totalled £7.3bn.

2. Anti-Fraud and Corruption Statement

The Council has a 'zero tolerance' approach to fraud, bribery and corruption and is committed to making sure that the opportunity for illegal acts are minimised.

The Council's employees and Members are expected to have the highest standards of conduct and to be vigilant in combating fraud and corruption in all its forms.

The main areas of fraud posing a risk to the Council are:

- Council Tax liability, Housing Benefit and Council Tax Reduction entitlement, and fraudulent claims for council tax exemptions and discounts.
- Finance & Procurement e.g. fraudulent supplier claims / changes to bank details
- Housing Register Fraud

3. AVDC Compliance Team

Following the creation of the Single Fraud Investigation Service, covering all welfare benefit fraud, AVDC no longer undertakes fraud investigations. The Single Fraud Investigation Service falls within the Department of Work and Pensions as a single organisation and operates to a separate set of policies and procedures to tackle all welfare benefit fraud by bringing together welfare benefit fraud investigations currently undertaken by DWP, local authorities and HMRC.

AVDC continues to share data where permissible and works closely on cases of mutual interest. However, following the departure of AVDC's Fraud Team, a different approach was required. It was decided that the Compliance Team would focus their resources on reviewing Council Tax discounts and exemptions, Council Tax Reduction and Housing Benefit entitlement and undertaking work through FERIS, HBMS and RTI.

A year after the team was formed, Compliance work is currently under an internal review not only to streamline existing processes, but also to identify better, more efficient, ways of working. Given the limited resources to hand and the prospect of these further reducing in the future, more focussed, targeted, interventions will be considered.

The Compliance Team Annual Report can be found in Appendix 3.

4. CIPFA Assessment

In October 2013, an assessment was performed of the Council's Anti Fraud and Corruption policies and processes compared to the three themes outlined in the Local Government Fraud Strategy: Acknowledge, Prevent and Pursue. The actions identified in the Anti-Fraud and Corruption Improvement Plan have largely been addressed and were reported to the Audit Committee in October 2014.

Since our previous fraud assessment new best practice guidance on anti-fraud in the public sector has been released by the Chartered Institute of Public Finance and Accountancy (CIPFA). In addition, the Council has undergone significant change with corporate restructure, setting up the new business model and seeking to increase commercial trading. The transfer of the Fraud Investigations team to the Department of Work and Pensions Single Fraud Investigation Service has also had an impact on resource available and mandate for investigation. Previously embedded processes and controls may have weakened and policies implemented as a result of previous action plans may no longer be fit for purpose.

CIPFA's "Code of Practice on managing the risk of fraud and corruption" supports organisations seeking to ensure they have the right governance and operational arrangements in place to counter fraud and corruption. It is a voluntary code that can be applied in any public service organisation. Business Assurance Services (BAS) has performed a fraud benchmarking assessment of the current state of the Council's governance structures and processes against the CIPFA code. The resulting actions outlined in this report replace those previously reported.

5. CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

Leaders of public services organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

The Chartered Institute of Public Finance and Accountancy (CIPFA) has developed a self assessment tool that helps organisations assess the robustness of their counter fraud processes. The criteria in the tool are evidenced based, which means that for the Council to achieve a satisfactory level against the criteria it must be able to demonstrate compliance. It is not appropriate to simply say 'Management take the risk of fraud seriously', it must be based on documented evidence.

The five key principles of the code are to:




- acknowledge the responsibility of the governing body for countering fraud and corruption
- identify the fraud and corruption risks
- develop an appropriate counter fraud and corruption strategy
- provide resources to implement the strategy
- take action in response to fraud and corruption.

The five key principles are supported by specific steps which should be implemented. Through a series of 68 individual questions, the assessment tool explores the evidence to demonstrate these steps are in place and provides an overall rating.

The role of Business Assurance Services (BAS) is to provide assurance to Management over the adequacy of the governance arrangements within the Council. The purpose of this report is to summarise the results of our independent assessment against the criteria, highlighting any strengths and identifying the main weaknesses to address. In addition BAS has a role to play in putting adequate anti-fraud and corruption policies in place within the Council.

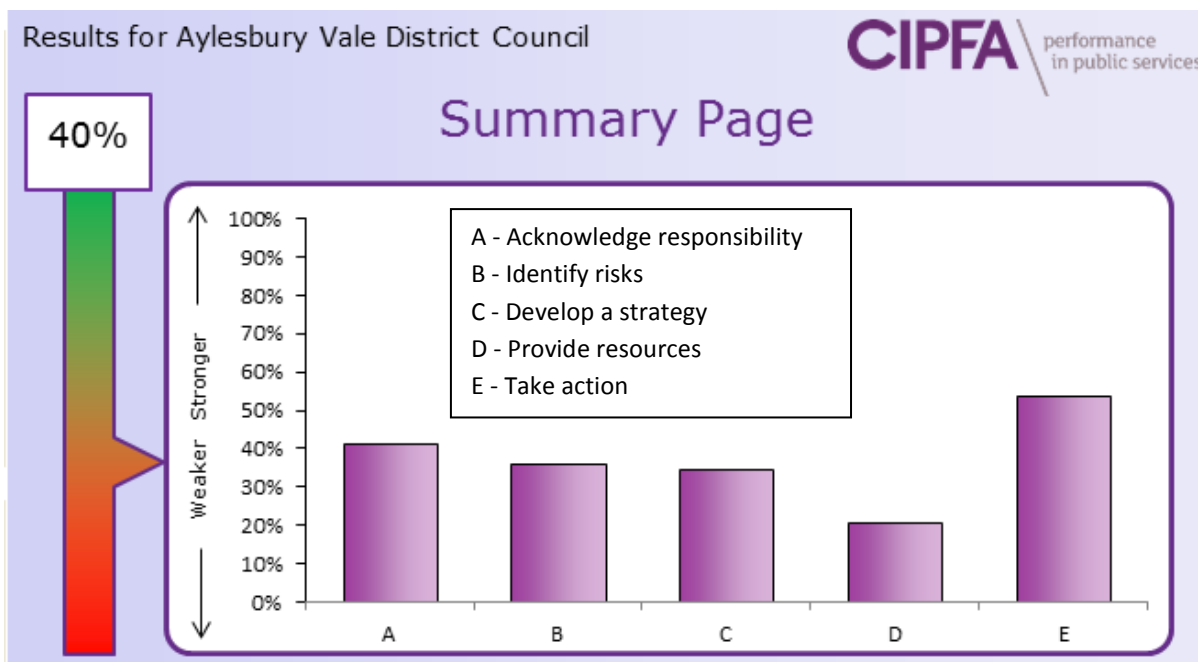
We have summarised the results of our assessment, which was performed in January 2016, in section 3 together with a suggested action plan. More detail under each of the 5 core principles is also provided in Appendix 2 of this report.

A traffic light system has been used to show whether, in our view, the criteria has been met, partially met or not met. The % scores are taken from the benchmarking tool and illustrate the strength of the Council’s performance against each of the criteria.

<p>Met – performance in this area is considered satisfactory. Governance arrangements and structures are adequate for the size and context of the organisation.</p>	
<p>Partially Met – there is some evidence that the criteria are achieved but these are either not consistently/regularly applied, or fail to meet the required standard in full.</p>	
<p>Not Met – there is little evidence to suggest these criteria are in place or routinely operating.</p>	

Note: The assessment refers to the ‘Leadership Team’ throughout. At AVDC this is represented by the Transition Board

6. Summary results and action plan



At the time of the assessment in January 2016, the Council is performing at 40% of the CIPFA standard. The Council has reached a basic level of performance against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This includes having adequate arrangements in place against most of the performance criteria that are fundamental to the management of fraud and corruption risks. There remain a number of key areas where performance should be improved before a good standard of performance can be achieved. Overall the Council needs to do more to ensure it's resilience against fraud and to support good governance.

Areas of strength against the code:

- Some actions to publicly acknowledge the risks and to put in place some arrangements to manage those risks.
- The identification of some fraud risks.
- Appropriate steps in place to respond to fraud risk and referrals and the essential elements of a policy framework.

Areas for improvement:

- Leadership support needs to be demonstrated more regularly to help build an anti-fraud culture within the Council.
- More needs to be done to ensure that there is a regular review of fraud risks to the Council's principal activities and ensure arrangements for reporting and escalation of risks are robust.
- The Council should ensure that it is regularly reviewing external evidence of fraud risks and supporting fraud risk awareness amongst its managers and staff.
- The Council needs to review and update the Fraud strategy so that it comprehensively addresses the risks of fraud and corruption that it faces and is be aligned to the objectives and goals.

- Review the level of resource that is invested to counter fraud and corruption to ensure that it is sufficient to manage its risks.
- Through an action plan, ensure all aspects of an effective counter fraud strategy are implemented, including the development of the anti-fraud culture.
- The scope for improving assurance on performance should also be evaluated.

Having considered all the criteria set out in the CIPFA code and the gaps identified we have developed a high level set of actions that would strengthen the Council's position in managing the risk of fraud. This can be found in Appendix 1.

At their January 2016 meeting, the Audit Committee noted that the Council might want to consider setting a target of performing to 60-65% of the CIPFA code. The actions set out in Appendix 1 will help to achieve this goal.

7. Conclusion

Compared to the criteria set out in the CIPFA "Code of Practice on managing the risk of fraud and corruption", the Council is currently performing at 40% of the standard. For an organisation of this size and complexity aiming for 100% may not be appropriate, but the assessment shows that there are some key areas where further attention is needed to strengthen both the governance and operational arrangements in place to manage the risk of fraud.

The actions set out in Appendix 1, which are all achievable with current resource, would improve the Council's governance structures and ability to demonstrate effective financial stewardship and strong public financial management. Once in place and embedded, the actions identified should improve the overall assessment score and help provide assurance that the Council has adopted a response that is appropriate for its fraud and corruption risks and is committed to maintain its vigilance to tackle fraud.

Appendix 1


Reference:	Issue & Proposed Action:	Responsibility:	Target Date:	Comments
A1	The Transition Board should endorse/make a statement, at least annually identifying fraud and corruption threats specific to the Council and their associated harm e.g. how fraud could impact on AVDCs ability to meet business goals. The statement should include commitment to actions to mitigate identified risk and specific goals in relation to fraud resilience.	KM / TI	June 2016	High level statement included in Annual Fraud report with associated action plan. The Audit Committee is asked to promote the Councils anti fraud and corruption commitment among fellow members.
A2	Leadership team publically communicate to staff (and contractors) the importance of fraud awareness (e.g. By-lines)	TI /AS	Sept 2016	TI to develop a programme of communication in partnership with AS and Comms and Marketing. Anti fraud and corruption has been considered as part of the contracts T&Cs review. "Low Value" include a general statement on compliance with the Council's Policies and specific Anti Corruption clauses. "High Value" includes additional detail and also anti-bribery.
A3	Refer to CIPFA counter fraud principles in 2015/16 Annual Governance Statement.	KM	June 2016	AGS includes reference to CIPFA benchmarking and action plan
B1	Include Fraud as a corporate level risk to ensure that it stays front of mind in governance and decision making.	TI	June 2016	This has been included in the corporate risk register to go to Audit committee in July.

B2	Carry out an assessment of the main areas of activity where the risk of fraud and corruption is present (this will help inform resource assessment and future action plans).	Sector Review and Risk Management Process	January 2017	
C1/E2	Review and update the policy framework which supports the implementation of the counter fraud strategy, including: Counter fraud, Whistleblowing, Anti-money laundering, Anti-bribery, Anti-corruption, Gifts and hospitality, Pecuniary interest and conflicts of interest, Codes of conduct and ethics, Information security, Cyber security policy.	DG	March 2017	
C2	Produce a detailed Counter Fraud action plan, with action owners and regular monitoring.	TI/KM	June 2016	Action plan included in Annual Fraud report to be monitored on a 6 monthly basis and reported to Transition board and Audit Committee.
D1	Review counter-fraud resources based on the council's level of risk.	Sector Review	Jan 2017	
D2	Assess the level of competence of the cohort of investigators and consider if specialist Fraud investigation training is need for some or all of the investigators.	AB / SR – Sector Review	Jan 2017	
D3	Produce a Fraud Investigation Protocol which should include process for evaluation of the effectiveness of investigations.	DG	March 2017	
E1	Develop a regular programme of training and awareness, including annual updates for all staff.	TI	August 2016	See A2 above.

E3	The Annual Fraud Report should include: performance against the counter fraud strategy and action undertaken, assessment of resource availability, actions for next year and results of assessment of performance against the CIPFA Code. The Audit Committee should reports the results, conclusion and recommendations to Transition Board.	TI / KM	June 2016	
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Appendix 2

CIPFA Fraud Risk Assessment Results (January 2016)

Key Principle A: The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.	 41%
Specific Steps	
A1 The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.	
A2 The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.	
A3 The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.	
A4 The governing body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention.	
Summary of current position There is a lack of documented evidence to demonstrate Leadership commitment to anti fraud. Whilst this is evident through various meetings where risks and controls are discussed, and inherent in many of the Service Area monitoring processes, there is no formal statement of promotion of commitment to anti fraud behaviours at a corporate level There are no specific goals set in relation to fraud resilience. The leadership don't actively explore initiatives to improve resilience. Whilst there is not a written acknowledgement of responsibility from the leadership, there is support from them during investigations. The 2014/15 Annual Governance statement does include assessment of how effectively AVDC is addressing its fraud and corruption risks. Fraud and Corruption is also referred to in a number of documents namely code of conducts and the constitution. The Anti-Fraud and Corruption Strategy does identify the Council's ambitions in relation to fraud resilience, however these have not been formulated into specific goals.	
Actions: A1. The Transition Board should endorse/make a statement, at least annually identifying fraud and corruption threats specific to the Council and their associated harm e.g. how fraud could impact on AVDCs ability to meet business goals. The statement should include commitment to actions to mitigate identified risks and specific goals in relation to fraud resilience. A2. Leadership team publically communicate to staff (and contractors) the importance of fraud awareness (e.g. By-lines) A3. Refer to CIPFA counter fraud principles in 2015/16 Annual Governance Statement.	

Principle B: Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.



36%

Specific Steps

B1 Fraud risks are routinely considered as part of the organisation's risk management arrangements.

B2 The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.

B3 The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures.

B4 The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause.

Summary of current position

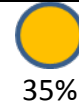
The Council's Risk Management Policy doesn't reference fraud and corruption risks. Risk assessments of core activities do not always consider fraud and corruption. There is no formal assessment of main areas of activity where the risk of corruption is present. There is limited assessment of potential fraud losses.

However the introduction of the Service Risk Assurance process two years ago has improved the understanding and ownership over service specific fraud risks. The whistleblowing policy gives information about how to report concerns. The staff code of conduct includes a section on Fraud and Corruption.

Actions:

- B1. Include Fraud as a corporate level risk to ensure that it stays front of mind in governance and decision making.
- B2. Carry out an assessment of the main areas of activity where the risk of fraud and corruption is present.

Principle C: An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.



35%

Specific Steps

C1 The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation’s acknowledged responsibilities and goals.

C2 The strategy includes the organisation’s use of joint working or partnership approaches to managing its risks, where appropriate.

C3 The strategy includes both proactive and responsive approaches that are best suited to the organisation’s fraud and corruption risks. Proactive and responsive components of a good practice response to fraud risk management are set out below.

Proactive

- Developing a counter-fraud culture to increase resilience to fraud.
- Preventing fraud through the implementation of appropriate and robust internal controls and security measures.
- Using techniques such as data matching to validate data.
- Deterring fraud attempts by publicising the organisation’s anti-fraud and corruption stance and the actions it takes against fraudsters.

Responsive

- Detecting fraud through data and intelligence analysis.
- Implementing effective whistleblowing arrangements.
- Investigating fraud referrals.
- Applying sanctions, including internal disciplinary, regulatory and criminal.
- Seeking redress, including the recovery of assets and money where possible.

C4 The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.

Summary of current position

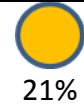
There is an Anti-Fraud and Corruption Strategy and a Whistleblowing Policy in place, though these are now due for review. Whilst the strategy doesn’t include partnership working to address fraud there is evidence that services do work with other organisations to prevent fraud. The Strategy includes clear identification of responsibility and accountability for delivery of the strategy.

Although a strategy is in place it is a very high level document and doesn’t include detail about how the council will prevent and detect fraud. There has been limited monitoring of the Fraud Action Plan.

Actions:

- C1. Review the Anti-Fraud and corruption Strategy and the Whistleblowing Policy.
- C2. Produce a detailed counter fraud action plan, with action owners and regular monitoring.

Principle D: The organisation should make arrangements for appropriate resources to support the counter fraud strategy.



Specific Steps

D1 An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk.

D2 The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation.

D3 The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes.

D4 The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.

Summary of current position

The responsibility for oversight of Counter-Fraud work lies with the Business Assurance team but there has been no assessment of the level of resources required against the level of risk. A team of trained investigators was established in 2014, although they were not specifically trained in Fraud investigations.

We have a number of policies that give investigators access to information as part of their investigation however these do not specifically refer to Fraud Investigations and this may not extend to outsourced services and partnering arrangements.

Agreements with other bodies are in place as part of the NFI process these are facilitated by the Cabinet Office, however as the instance of counter-fraud activities being conducted on a collaborative basis are rare there are no other agreements in place.

Actions:

- D1. Review counter-fraud resources based on the council's level of risk.
- D2. Assess the level of competence of the cohort of investigators and consider if specialist Fraud investigation training is need for some or all of the investigators.
- D3. Produce a Fraud Investigation Protocol which should include process for evaluation the effectiveness of investigations.

Principle E: The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.



Specific Steps

E1 The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes:

- Counter fraud policy
- Whistleblowing policy
- Anti-money laundering policy
- Anti-bribery policy
- Anti-corruption policy
- Gifts and hospitality policy and register
- Pecuniary interest and conflicts of interest policies and register
- Codes of conduct and ethics
- Information security policy
- Cyber security policy

E2 Plans and operations are aligned to the strategy and contribute to the achievement of the organisation’s overall goal of maintaining resilience to fraud and corruption.

E3 Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing.

E4 Providing for independent assurance over fraud risk management, strategy and activities.

E5 There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.

Summary of current position

Most of the required policies are in place though a number of them are due for review.

These policies are now on Policy Hub and a programme of review and compliance is being developed.

Training and awareness has been undertaken but not recently and on an ad hoc basis.

We adhere to NFI data matching and sharing protocols but a Council wide review of the effectiveness of data sharing has not been performed to date.

A team of trained investigators was established in 2014, although they were not specifically trained in Fraud investigations.

Actions:

- E1. Develop a regular programme of training and awareness, including annual updates for all staff.
- E2. Review the policy framework which supports the implementation of the counter fraud strategy, as a minimum this should include: Counter fraud, Whistleblowing, Anti-money laundering, Anti-bribery, Anti-corruption, Gifts and hospitality, Pecuniary interest and conflicts of interest, Codes of conduct and ethics, Information security, Cyber security policy.
- E3. The Annual Fraud Report should include: performance against the counter fraud strategy and action undertaken, assessment of resource availability, actions for next year and results of assessment of performance against the CIPFA Code. The Audit Committee should reports the results, conclusion and recommendations to Transition Board.

Appendix 3

Aylesbury Vale District Council

Compliance Team

Annual Report 2015-16

Marie Morgan-Geary

Introduction

Following the creation of the Single Fraud Investigation Service, covering all welfare benefit fraud, AVDC no longer undertakes fraud investigations. The Single Fraud Investigation Service falls within the Department of Work and Pensions as a single organisation and operates to a separate set of policies and procedures to tackle all welfare benefit fraud by bringing together welfare benefit fraud investigations currently undertaken by DWP, local authorities and HMRC.

AVDC continues to share data where permissible and works closely on cases of mutual interest. However, following the departure of AVDC's Fraud Team, a different approach was required. It was decided that the Compliance Team would focus their resources on reviewing Council Tax discounts and exemptions, Council Tax Reduction and Housing Benefit entitlement and undertaking work through FERIS, HBMS and RTI.

A year after the team was formed, Compliance work is currently under an internal review not only to streamline existing processes, but also to identify better, more efficient, ways of working. Given the limited resources to hand and the prospect of these further reducing in the future, more focussed, targeted, interventions will be considered.

Aims

To undertake interventions and reviews of customer's council tax liability, Housing Benefit and Council Tax Reduction entitlement. To review council tax exemptions and discounts.

To ensure account/claim records are correct, identifying errors and recover overpayments as well as applying penalties where appropriate. To undertake exercises through FERIS, HBMS and RTI.

Detection

Our objectives are to prevent and reduce the financial losses to AVDC's benefits caseload as a result of fraud and error and maximise the collection of council tax.

This will be achieved by:

- Effective use of Information Technology
- Effective use of Data Matching
- The provision of good quality training and refresher training
- Effective liaison and partnership working
- Encouraging 'Whistle blowing' through use of the AVDC Confidential Reporting policy
- Encouraging both internal and external referrals of fraud and corruption

Resources

The Compliance Team currently employs four part time members of staff headed by a fulltime supervisor.

Sources of compliance work undertaken

The Compliance Team liaises with all Council departments as and when required. All income types for HB/CTR and all exemption and discounts for council tax are currently reviewed annually. RTI and HBMS cases are reviewed every month and the NFI reports are worked on continuously. Internal and external allegations are received via the team's mail box and in writing.

Table of allegations received with their sources 2015/16

Please note that the numbers on the tables do not equal each other because not all allegations are substantiated.

Source of Fraud	No of Cases
From Benefits Section	8
HBMS	123
NFI	9
CRA matches	0
DWP	0
Royal Mail DNR	0
Anonymous Letter	9
Anonymous Telephone Call	8
Pro-active Work	0
Private Landlords	0
From Other LA Depts.	4
Intervention	1
Website	0
Other	26
Total	188

Type of Fraud	No of Cases
Working & Claiming	11
undeclared Income/benefits	37
undeclared capital/assets	100
LTAHAW	14
Others in Household	8
False Identity	0
Contrived Tenancy	0
Landlord Fraud	1
Non Residency	1
SPD	0
right to buy	18
Other	0
Total	190

Note: 2014/15 statistics are not included in this report as they are not comparable with either 2013/14, or 2015/16. 2014/15 was a transitional year, with a dedicated Fraud Team for part of the year, a Compliance Team for the final few months, and a combination in between.

Department for Work & Pensions Housing Benefit Matching Service data matches 2015/16

The DWP regularly match AVDC's data submissions with other data sources to assist in the prevention and detection of fraud and error. For example, individuals may fail to report a change in circumstances like returning to work, an undeclared capital sum, a private pension or lump sum, an increase or award of another 'benefit'. By cross matching the various data bases, anomalies are identified and referred to us for further investigation.

The Fraud and Error Incentive Scheme

The Fraud and Error Reduction Incentive Scheme (FERIS) offers financial rewards to local authorities who reduce fraud and error in their Housing Benefit cases. The scheme aims to significantly reduce Housing Benefit fraud and error during those years and beyond. The Compliance Team has run a number of reports identifying claims where incomes, discounts etc. haven't been reviewed during the past twelve months.

Real Time Information

Real Time Information (RTI) is Her Majesty's Revenue and Customs' (HMRC) system for collecting Pay as You Earn (PAYE) information from employers and pension providers who are now required to provide HMRC with income details immediately after each payment they make.

The Department for Work and Pensions and HMRC have a joint Fraud and Error Strategy and seek to collaborate where possible, especially where one department's assets are of value to the other. RTI is an example of such an asset and provides new opportunities to identify fraud and error across all social security benefits including Housing Benefit. In respect of earnings, the RTI data is a richer and timelier solution than the existing data sources being used to identify fraud and error across DWP systems.

Audit Commission's National Fraud Initiative 2015

Since 1996 the Audit Commission has run the National Fraud Initiative (NFI). This matches electronic data to prevent and detect fraud.

The following data sets were submitted for matching by AVDC

- Housing Benefit Claimants
- Payroll
- Insurance claims
- Taxi Licences
- Creditors
- Electoral Register
- Council Tax

Total Overpayment of Housing Benefit and Council Tax Reduction

The total overpaid benefits identified through the work of the Compliance Team during the year 2015/2016;

FERIS

Housing Benefit	-	£562,268.09
Council Tax Reduction/Benefit	-	£175,229.81
Cases Reviewed	-	1849

RTI

Housing Benefit	-	£720,711.59
Council Tax Reduction/Benefit	-	No data recorded
Cases Reviewed	-	892

HBMS

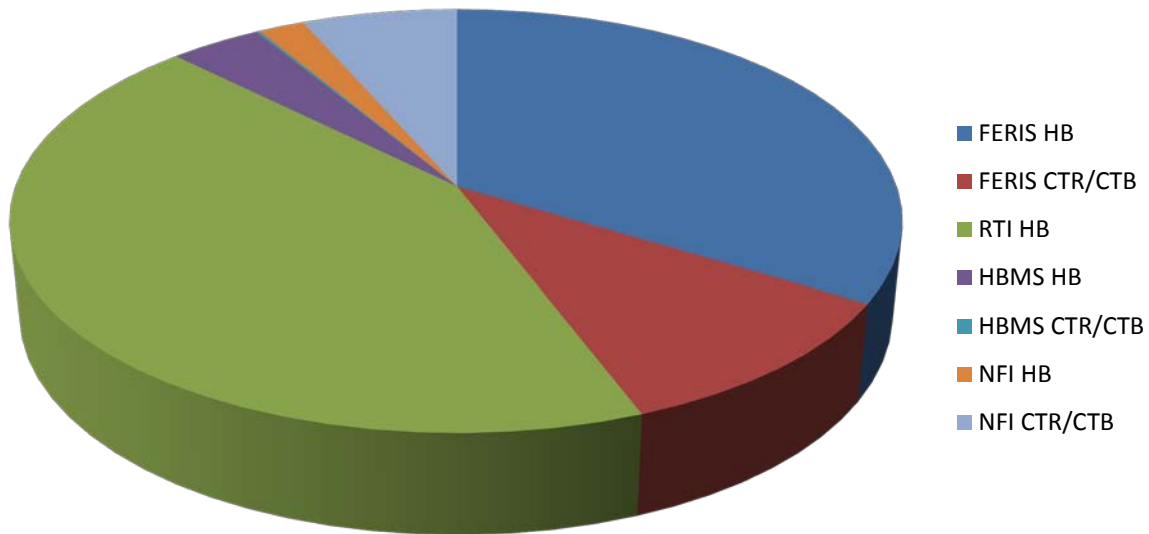
Housing Benefit	-	£64,725.18
Council Tax Reduction/Benefit	-	£2,611.35
Cases Reviewed	-	360

NFI

Housing Benefit	-	£32,498.38
Council Tax Reduction/Benefit	-	£109,565.67
Cases Reviewed	-	2408

Grand Total Overpayments £1,670,610.07

Areas where overpayments were identified



Penalties

There were eight penalties imposed totaling £560 and administration penalties totaling £5474.21.

Case Studies

The following are actual cases, personal details have been removed:

Claimant A failed to report an increase in wages resulting in an overpayment of Housing Benefit totalling £13,140.53 and Council Tax Reduction £2173.10.

Claimant B failed to report an increase in wages resulting in an overpayment of Housing Benefit totalling £11,287.17.

Claimant C failed to report a change in child care costs resulting in an overpayment of Housing Benefit totalling £14,181.96 and Council Tax Reduction of £268.04.

Claimant D failed to report a change in child care costs resulting in an overpayment of Housing Benefit totalling £11,491.17, Council Tax Benefit of £289.82 and Council Tax Reduction of £2074.16.

Internal and External Liaison

Liaisons and networking external – Vale of Aylesbury Housing Trust, Guinness Trust, Catalyst Housing, Thames Valley Police.

Liaisons and networking internal to AVDC – Housing & Homelessness, Budget Advice, Environmental Health, Benefits, Finance, Enforcement Forum, Audit Committee.