

South Bucks District Council

Audit and Standards Committee 27thSeptember 2018

SUBJECT:	<i>Annual Fraud Report</i>
REPORT OF:	<i>Customer Services – Cllr Duncan Smith</i>
RESPONSIBLE OFFICER	<i>Nicola Ellis Head of Customer Services</i>
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WARD/S AFFECTED	<i>All</i>

1. Purpose of Report

This report is to advise the Audit Committee of the Anti- Fraud activity undertaken in 2017/18 and an action plan for 2018/19.

RECOMMENDATION

Members are asked to note and comment on the outcomes and future activity.

2. Reasons for Recommendations

The report is for information only and no action is required.

3. Report

3.1 This report details the anti-fraud activity completed during the 2017/18 financial year. It details the activity and outcomes where appropriate. Also an action plan for areas of work to be reviewed in the year 2018/19, with the intention of identifying risk areas and taking proactive work to prevent and deter fraud.

3.2 South Bucks District Council works in partnership with Chiltern District Council in relation to all anti-fraud activity. The fraud and error reduction team is part of the shared revenues service for both Chiltern District Council and South Bucks District Council.

3.3 The revenues fraud and error reduction team is responsible for carrying out anti-fraud activity in relation to Local Council Tax Support. It also provides assistance

to Internal Audit, managing the Internal Audit contract and supplementing the resources for fraud and irregularity.

3.4 The Audit, Fraud and Error Reduction Manager in conjunction with the Internal Audit contract manager provides risk management guidance and during 2017/18 has provided risk management and anti- fraud guidance to all of the councils middle management as part of the ongoing Middle Managers development programme.

Benefit Fraud

3.5 In 2017/18 a total of 40 cases of benefit fraud were referred by South Bucks DC to DWP's Single Fraud Investigation Service.

Of these cases 2 have resulted in the offer of Administrative Penalties. A further case has been referred for potential prosecution.

3.6 The table below demonstrates the levels of identified frauds for 2017/18 and 16/17 for comparison.

2016/17		2017/18	
Overpayment values	No of cases	Overpayment Values	No of Cases
0-1k	0	0-1k	9
1k-5k	2	1k-5k	0
5k-10k	1	5k-10k	0
10k-15k	0	10k-15k	0
15k-20k	0	15k-20k	0
20k +	0	20k +	1

3.7 SFIS officers have no direct access to the housing benefit records at South Bucks and as part of the investigation process South Bucks is required to provide a single point of contact to access and provide all necessary housing benefit documents. Also this officer act as the main liaison point throughout the investigation and provides supporting witness statements as required. The role is also responsible for the decision to apply a penalty on DWP's recommendation.

3.8 Since 1st March 2015 the investigation of benefit fraud rests with DWP this does not include the prevention of fraud and error entering the scheme. To assist in fraud prevention South Bucks revenues service operates "Risk Based Verification" of all new applications to identify cases that require further checking of circumstances while allowing the more straightforward lower risk cases to be processed without the burden of verification of all circumstances. South Bucks

District Council is also proactive in identifying cases of potential fraud and error identified during the course of on-going accuracy checks and the targeting of reviews on known risk areas.

3.9 South Bucks District Council will continue to safeguard both the national and local schemes and investigate frauds against the local council tax scheme. In 2017/18 no cases of abuse against the local council tax reduction scheme were suitable for further sanction action. However we have identified and rectified council tax reduction award identified from our own actions or from information forwarded by SFIS.

Housing Fraud Prevention.

3.10 The Fraud Team maintains close links with Paradigm Housing Association and provided assistance with housing tenancy fraud issues and as a result Paradigm were able to recover two tenancies. The value of recovered tenancies is estimated as £2,786, this is based on the average cost of Bed and Breakfast placement. The council has preferred rights to nominate to the recovered tenancies.

3.11 The Fraud Team provide assistance to the housing team providing background checks. The team also carry out residency checks on temporary housing placements to verify residence. The Information obtained supports the housing officers in making homelessness decisions and assisted with recovery of housing debts.

3.12 South Bucks continues to take part in the bi-annual National Fraud Initiative and the annual Single Persons Discount exercise. The exercise which is hosted and managed by the Cabinet Office is a mandatory requirement with the council providing a variety of data to be matched against external data available to the cabinet office. To assist the targeting of resources the output is graded with priority matches identified. No frauds were identified in the last bi-annual exercise and work is continuing on the Single Persons Discount matches.

3.13 In Addition to the addition to the NFI Single Persons data matching the Revenues team carried out a full review of the existing SPD awards in 2017. The exercise required existing applicants re -confirming their entitlement.

The review was completed by April 2018 and resulted in the following outcomes:

SBDC Council Tax review 2017/18 – outcomes

Band	Number of discounts		Difference
	11/7/17	1/4/18	
A-H	7751	7424	327

Precepting Authority	Charge £	% charge	Additional revenue 2017/18
Bucks CC	1218.08	72.883	107621.77
SBDC and Parishes	222.04	13.285	19617.12
Police	170.28	10.189	15045.45
Fire	60.88	3.643	5379.39
	1671.28		147663.73

Work is continuing on the NFI SPD matches and outcomes will be reported in next year's annual report.

4. Options.

4.1 The council has a duty to protect the local public purse and the fraud and error reduction team provide a resource for prevention, detection and recovery of fraud and irregularity.

5. Corporate Implications

5.1 The Fraud and Error Team are an integral part of the Revenues Service but provide a fraud investigation service across the Council.

5.2 For legal implications the Fraud and Error Team have external links with experienced criminal lawyers and will liaise and consult with our own legal services as and when required.

6. Links to Council Policy Objectives

6.1 This report links to the following objectives of the Council:

- Provide excellent service- ensuring correct benefit entitlement minimises losses to the Council;
- Safer and healthier communities – benefit fraud is a crime and the prevention and detection of fraud reduces crime in the community.

7. Next Steps

7.1 To consider and comment on the 2018/19 action plan.

Background Papers: None

Corporate Fraud Audit Plan 2018/19

Area of work	Action to be taken	Timetable
To align anti- fraud and error activities across the full in house revenues service	From November 2018 develop anti-fraud work on SBDC case load.	31/03/2019
Deliver anti-fraud awareness and risk management guidance to all managers	Ongoing workshops. Guidance on intranet.	30/12/2018
Corporate updates on Regulation of Investigative Powers Act (RIPA)	Source and arrange suitable training.	30/11/2018