REPORT TO:	GENERAL PURPOSES AND AUDIT COMMITTEE
AGENDA ITEM:	
SUBJECT:	Anti-Fraud Report 1 August 2014 – 30 September 2014
LEAD OFFICER:	Director of Finance and Assets
CABINET MEMBER	Councillor Simon Hall Cabinet Member for Finance and Treasury
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT:

The work of the Audit & Anti-Fraud service helps the Council to improve its value for money by strengthening financial management and further embedding risk management. Improving value for money ensures that the Council delivers effective services contributing to the achievement of the Council vision and priorities. The detection of fraud and better anti-fraud awareness contribute to the perception of a law abiding Borough.

FINANCIAL SUMMARY:

The budget provision for the Anti-Fraud service for 2014/15 is £662,000 and the service is on target to be delivered within budget.

FORWARD PLAN KEY DECISION REFERENCE NO: N/A

For general release

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1.   RECOMMENDATIONS

1.1   The Committee is asked to:
- Note the Anti-fraud activity of the Corporate Anti Fraud Team for the period 1 August 2014 – 30 September 2014;

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2.   EXECUTIVE SUMMARY

2.1   This report details the performance of the Council's Corporate Anti-Fraud Team (CAFT) and includes the details of the team's targets and actual performance together with details on a selection of investigations and their outcome during the period 1 August 2014 to 30 September 2014.

3.   DETAIL

Performance 1 April 2014 to 30 September 2014

3.1   The CAFT is made up of 12 staff (11 FTEs), with additional support from Mazars PSIA Ltd, the Council's external strategic partner. The team receives allegations of fraud which relate to several areas of the Council's business.

3.2   There are local performance indicators that relate to the Council's anti-fraud work. The two indicators shown in table 1 below reflect the focus of the team. Table 2 shows a breakdown of these figures.

Table 1 – Key performance indicators

	ANNUAL TARGET	YEAR TO DATE PERFORMANCE
Successful Outcomes	90	43
Identified Overpayments & Savings	£2,000,000	£1,156,456

Table 2 - Breakdown of Outcomes from 1 April 2014 – 30 September 2014

Area	£	Outcomes
Housing Benefit	875,810	7 Cautions
Council Tax Benefit	70,172	9 Administrative penalties
National Benefits (JSA & IS)	57,172	6 Prosecutions
Non Benefit	153,302	1 Caution
		3 Disciplinary outcomes*
Housing outcomes **		1 Prosecution (Housing waiting list – see paragraph 4 below)
		8 Properties recovered
		3 people removed from housing list
		5 Right to buy applications stopped

*Includes Investigations resulting in disciplinary action or resignation during the disciplinary process.
** Powers under the *Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations* have been used twice since April 2014.

4.   Prosecution detail

4.1   During the period 1 August 2014 and 30 September 2014 sentence was passed in just one case. The sentence is noted for below for Members' interest.

Name	Sentence	Type of fraud	Overpayment
Ferguson	12 Month Conditional Discharge	False Application for housing	None – attempt only

5.   DEPARTMENT FOR WORK & PENSIONS' (DWP) SINGLE FRAUD INVESTIGATION SERVICE (SFIS)

5.1   At the Committee's meeting on 17th September 2014 there was a report explaining the Government's plans for a SFIS run by the DWP for dealing with all benefit related fraud work. There has now been an initial meeting between Council officers and DWP staff. An outline process for the transfer of investigation work and investigation staff from the Council to the DWP has been adopted. The date of transfer is still 2nd March 2015.

5.2   As previously reported, the Corporate Anti-Fraud Team will cease taking new Housing Benefit fraud referrals from 1st December 2014 to enable an orderly handover. The DWP staff have agreed that advertising material will be provided before that date to enable staff, Members and the public to refer new cases to the DWP from that date.

5.3   At the time of writing this report, the changes to the administration grant (paid to the Council by the DWP for administering Housing benefits) to reflect the transfer of work have not been finalised. When the financial impact of the proposed changes are know this will be reported to a future meeting.

6.   FINANCIAL AND RISK ASSESSMENTS

6.1   The budget provision for the audit and anti-fraud service for 2014/15 is £662,000 and the service will be delivered within budget.

6.2   There are no further risk assessment issues than those already detailed within the report.

(Approved by: Head of Finance and Deputy S151 Officer)

7. COMMENTS OF THE SOLICITOR TO THE COUNCIL

7.1 The Solicitor to the Council advises that there are no additional legal implications arising from this report

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor and Monitoring Officer)

8. HUMAN RESOURCES IMPACT

8.1 Where the Corporate Anti Fraud Team carry out investigations into allegations against members of staff then this is done in conjunction with HR staff and in line with the Council's disciplinary procedure.

(Approved by: Hansa Bharadia HR Business Partner)

9. CUSTOMER FOCUS, EQUALITIES, ENVIRONMENTAL, CRIME AND DISORDER REDUCTION & HUMAN RIGHTS IMPACTS

9.1 There are no further considerations in these areas.

10. EQUALITIES IMPACT ASSESSMENT

10.1 An initial screening equalities impact assessment was been completed for the Anti-fraud and Corruption Policy. In light of this review additional data is collected to test whether the profile of fraud cases is significantly different to the profile of the biggest group of service users that may be impacted by anti-fraud activities: Housing and Council Tax Benefits claimants. This exercise is being carried out within the framework of a Partial Equalities Impact assessment as set out in the Croydon EIA Toolkit. With the loss of benefit investigation work later this year (see report to the September 2014 meeting of this Committee), this approach is to be reviewed before the end of the financial year.

CONTACT OFFICER: Simon Maddocks (Head of Governance)