

## **Update on anti-fraud activities**

### **SUMMARY**

- 1.1 This report provides an update on the anti-fraud activities being undertaken within the Council.
- 1.2 It also provides an update on any notifications/investigations that have taken place under the following legislation:
- Money Laundering Regulations 2007
  - Bribery Act 2010
  - Public Interest Disclosure Act 1998
  - Regulation of Investigatory Powers Act 2000

### **RECOMMENDATION**

- 2.1 To note the actions and the progress being made on the clearance of National Fraud Initiative matches and associated anti-fraud activities.

### **REASONS FOR RECOMMENDATION**

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

### **SUPPORTING INFORMATION**

#### **National Fraud Initiative (NFI)**

- 4.1 Work is continuing on clearing the matches released in January/February 2017. Table 1 below shows the number of matches reported. The Cabinet Office's NFI team do not expect 100% clearance of all matches, but they have identified "recommended matches" that they want the Council to investigate.

Table 1: NFI Matches

Service	Total number of matches	Recommended matches
Housing benefit	1003	88
Payroll	96	27
Blue badges	378	289
Residential care homes	51	24
Creditors	3110	251
Residents parking	0	0
Concessionary travel	0	0
Markets	0	0
Personal budgets	47	6
Council Tax	1323	110
Housing Tenants	136	120
Insurance	7	1
Right to Buy	8	1
Housing Waiting lists	711	703
<b>TOTAL</b>	<b>6870</b>	<b>1620</b>

- 4.2 As has been the case in previous NFI exercises, there are a high number of creditors' matches. This is due to many suppliers being listed twice, as they are suppliers to both the Council and schools, and many matches appear on several reports. As a result, the matches checked are done on a "sample" basis as they have proved unproductive in the past.
- 4.3 The benefit matches usually produce the majority of the recovered sums, but take the longest to investigate. Since the last report a Corporate Fraud team has been established (see para 4.6) and has commenced work on these cases.
- 4.4 As at 3 March 2017, a total of £4,879.90 has been saved relating to two errors identified in Council Tax and Housing Benefit. The NFI activity is in the early stages of a two year cycle, and some matches have only been available to the Council for a couple of weeks. Therefore, it is expected that the number of matches and sums involved will be significantly improved by the time of the next report. To date, 149 matches had been reviewed with 12 in progress.
- 4.5 Matches between Council Tax and Electoral Roll records are now performed on an annual basis. These matches were made available in January 2017. As at 3 March 2017, the clearance status on these records was:

Table 3: Council Tax/Electoral Register Matches

Dataset released January 2017	Matches	Cleared	Amount
Council Tax to electoral roll	3278	69	£1,305.62
Council Tax to rising 18	201	0	0
<b>TOTAL</b>	<b>3479</b>	<b>69</b>	<b>£1,305.62</b>

### **Corporate Fraud Team**

- 4.6 Following the transfer of the Council's Housing Benefit Fraud Team to the Department of Works & Pension the Corporate Fraud Team was created in January 2017 to provide an effective fraud deterrent for the Council. Working in partnership with South Derbyshire District Council, the team consisting of four full time posts are committed to the prevention, detection and investigation of certain types of fraud that can be committed against the Council, including, but not limited to;
- Tenancy fraud, ensuring Derby Homes tenancies are only offered to those in genuine need
  - Tackling illegal subletting to reduce unauthorised occupation and in turn return properties back to the housing stock,
  - Identifying false claims for Council Tax Support and other Council Tax discounts and Business Rates reliefs,
  - Stopping false Right to Buy requests supported by third parties and to help avoid/reduce the potential for money laundering,

Members will be kept aware of how the team is performing through periodic highlight reports to this committee.

### **Anti-Fraud activity survey**

- 4.7 The TEICCAF survey was completed by officers in October 2016. The results of the survey were published as a report 'Protecting the English Public Purse'. The report highlighted four areas of fraud by value as Housing Benefit, Tenancy & Social Housing, Right to Buy and Council Tax Discount Exemption. These areas will be the focus of work undertaken by the newly introduced Corporate Fraud team.

### **Public Interest Disclosure Act 1998**

- 4.8 There have not been any disclosures made under the Council's Whistleblowing policy in the last period.

### **Money Laundering Regulations 2007**

- 4.9 There has been 1 instance of potential Money Laundering reported to the National Crime Agency. This was done in January 2017.

### **Bribery Act 2010**

- 4.10 There have been no reports of suspicions of bribery made under the Council's Anti-Bribery Policy in the last period.

## Regulation of Investigatory Powers Act 2000

- 4.11 The Council has a statutory obligation to provide a quarterly update to Elected Members in respect of its use of covert surveillance. There have not been any authorisations for the use of covert surveillance made under RIPA in the period 1 November 2016 to 28 February 2017.

### OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

<b>Legal officer</b>	N/A
<b>Financial officer</b>	N/A
<b>Human Resources officer</b>	N/A
<b>Estates/Property officer</b>	N/A
<b>Service Director(s)</b>	N/A
<b>Other(s)</b>	N/A

  

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 The charge for Unitary Councils participating in the National Fraud Initiative 2016/17 is £3,650. The fees are the same as for the previous NFI exercise.

**Legal**

- 2.1 None directly arising

**Personnel**

- 3.1 None directly arising

**IT**

- 4.1 None directly arising

**Equalities Impact**

- 5.1 None directly arising

**Health and Safety**

- 6.1 None directly arising

**Environmental Sustainability**

- 7.1 None directly arising

**Property and Asset Management**

- 8.1 None directly arising

**Risk Management**

- 9.1 None directly arising

**Corporate objectives and priorities for change**

- 10.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.