



Northumberland  
County Council

# **Corporate Fraud Team**

## **Transparency Code Fraud Report 2017 - 2018**

## **Introduction**

The council is committed to providing an effective Counter-Fraud Service which is supported by efficient policies and sanctions for those that offend. Counter fraud is the responsibility of everyone in the council and by ensuring that effective measures are in place to prevent, detect, investigate and report fraud we can ensure that public money is spent where it should be, on services for the community.

Failure to investigate fraud will see money leaving the council by way of fraud or error and failure to tackle this effectively could lead to qualified subsidy claims and loss of revenue for the council.

It is therefore important to demonstrate that resources are focused on fraud reduction and to identify, investigate and rectify administrative weaknesses in order to assure Members and the general public of the quality and integrity of investigations.

From 1 April 2014 a new Corporate Fraud Team was established to combine the previous work of the Revenues and Benefits Investigation Team which dealt with the detection and investigation of fraud and abuse of Housing, Council Tax and other Social Security Benefits and the Audit Service who were responsible for the prevention, detection and investigation of internal fraud.

## **Associated Documents**

The Council has clear policies in relation to fraud and corruption and the following can be obtained from the [Corporate Fraud](#) page on the website:

- Counter Fraud and Corruption Policy
- Corporate Enforcement Policy
- Whistle-Blowing Policy
- Money Laundering Policy

## **Local Government Transparency Code 2015**

Under the above Code, Northumberland County Council is required to publish specific information in relation to Counter Fraud work with a recommendation that further additional information should be published.

All of the required and recommended information is given under the headings below.

**Number of occasions powers are used under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.**

None

**Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.**

The Corporate Fraud Team consists of the Corporate Fraud Manager, 3 Corporate Fraud Investigators and an Administration Assistant (4.6 FTE)

**Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.**

The Corporate Fraud Manager and Fraud Investigators are Accredited Counter Fraud Officers (3.8 FTE)

**Total amount spent by the authority on the investigation and prosecution of fraud.**

The annual cost of counter fraud activity for the year 2017 – 2018 amounted to £190,248.

**Total number of fraud cases investigated.**

During the year there were 4 investigations into potential internal fraud and 702 investigations into potential external fraud.

**Total number of cases of irregularity investigated.**

As above.

**Total number of occasions on which a) fraud and b) irregularity was identified.**

There were 18 referrals of potential internal fraud and 868 referrals of potential external fraud.

**Total monetary value of a) the fraud and b) the irregularity that was detected.**

Internal fraud

The nature of internal fraud makes it difficult to quantify in financial terms and therefore detailed statistics are not maintained. In all cases where the fraud can, however, be quantified full recovery is sought using all available civil means.

External fraud

Council Tax Support fraudulent overpayments amounted to £44,694.18  
Single Person Discounts fraudulent claims amounted to £6,967.36  
Business Rate Relief fraudulent claims amounted to £13,092.99

**Total monetary value of a) the fraud and b) the irregularity that was recovered.**

Internal Fraud

See above.

External Fraud

The Council Tax Support fraudulent overpayments identified during investigations together with the fraudulent Single Person Discounts and Business Rate Relief claims are recovered by amended Council Tax bills therefore detailed statistics are not maintained to show the amount recovered direct from the identified overpayment.

The team has also been extremely successful with an ongoing initiative in conjunction with Homes for Northumberland in relation to Right to Buy applications with procedures being introduced for the enhanced vetting of applications which also incorporates a stringent money laundering check.

As a result of this initiative a total of 71 Right to Buy applications were scrutinised in detail following which 23 were withdrawn by the tenants resulting in a total saving of £899,462 that would have been allowed as a discount to the property purchase price.

Following referrals on the fraud hotline and from other sources, six Homes for Northumberland properties have been recovered due to the tenants being non-resident and as a result of our intervention the keys for all six properties were handed back.

Under the guidelines issued by the Audit Commission this recovery is worth a minimum of £900,000 to the Council.

In overall terms for the financial year 1 April 2017 to 31 March 2018 the Corporate Fraud Team has achieved minimum gross savings for the council of £1,944,115. (Net £1,753,867 after staff costs.)

## **Further Information**

For more information on the counter fraud activities of the Council please contact

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