

CORPORATE FRAUD TEAM COUNTER FRAUD REPORT FOR 2013 - 2014

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.

Up to 31 March 2014 external fraud was the responsibility of the Benefit Fraud Investigation Team which dealt with the detection and investigation of fraud and abuse of Housing, Council Tax and other Social Security Benefits. Prevention, detection and investigation of internal fraud was the responsibility of the Audit Service and this was augmented by a part time Anti-Fraud Consultant.

From 1 April 2014 a new Corporate Fraud Team was established to combine the previous work of the Revenues and Benefits Investigation Team and the Audit Service.

In addition the previous benefit fraud team has now been split to incorporate the introduction of the Single Fraud Investigation Service (SFIS) which is due to be implemented on 1 July 2015.

The Corporate Fraud Team now consists of the Corporate Fraud Manager, 4 Corporate Fraud Investigators and an Administration Assistant together with the part time support of the Anti-Fraud Consultant. Pending the transfer under SFIS, Housing Benefit fraud will continue to be dealt with by the existing two Investigators and Administration Assistant.

All of the Investigators are Accredited Counter Fraud Officers and the Corporate Fraud Manager is an Accredited Counter Fraud Manager with CFPAB (Counter Fraud Professional Accreditation Board) in conjunction with the University of Portsmouth.

The projected annual cost of counter fraud activity for the year 2014 – 2015 amounts to approximately £300,000.

Audit Commission Survey – Protecting the Public Purse 2014

Under Section 48 of the Audit Commission Act 1998 the Council is obliged to participate in an annual fraud and corruption survey and the information provided for the year ended 31 March 2014 was as follows.

External Fraud

In relation to the detection and investigation of fraud and abuse of Housing, Council Tax and other Social Security Benefits the performance figures for 2013 – 2014 are outlined in the table below:

Measure	Total
Fraud Referrals	1,751
Investigations	715
Formal Cautions	75
Administration Penalties	26
Successful Prosecutions (100%)	41
Total Sanctions	142

Housing Benefit Overpayments identified during the year amounted to £508,754, an increase of 12.6% on 2012-2013. In this respect fraudulent overpayments of £93,543 were recovered in addition to which any monies identified as fraudulent overpayments receive 40% in subsidy payments through Central Government.

Additional revenue of £11,059 was also been generated as a result of Administrative Penalties accepted by customers following fraud investigations.

In summary approximately £308,100 was recovered representing 60% of the identified fraudulent overpayments on which basis the counter fraud activity of the Council is entirely self-financing.

Internal Fraud

During the course of the year there were 29 referrals of potentially fraudulent activity of which 23 were the subject of investigations.

For the purposes of the fraud and corruption survey these were classified as follows.

Classification	Number
Procurement	4
Social Services	3
Payroll	5
Expenses	1
Abuse of Position	1
Other	9
Total	23

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.

In this respect approximately £1.635m has been recovered since 1 April 2010 following internal investigations.

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
- Whistle-Blowing Policy
- Money Laundering Policy

Further Information

For more information on the counter fraud activities of the Council please contact Jane Swaddle, Corporate Fraud Manager:

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