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| REPORT TO: | GENERAL PURPOSES & AUDIT COMMITTEE 17 September 2014 |
| AGENDA ITEM: | 9 |
| SUBJECT: | Anti-Fraud Report 1 April 2014 – 31 July 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 has been 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: <ul style="list-style-type: none"> • Note the Anti-fraud activity of the Corporate Anti Fraud Team for the period 1 April 2014 – 31 July 2014; |

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 April 2014 to 31 July 2014.

3. DETAIL

Performance 1 April 2014 to 31 July 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. There are a further 63 cases where the investigations are completed and that are awaiting sanction.

Table 1 – Key performance indicators 1 April 2014 – 31 July 2014

| | ANNUAL TARGET | YEAR TO DATE PERFORMANCE |
|--|---------------|--------------------------|
| Successful Outcomes | 90 | 32 |
| Identified Overpayments & Savings | £2,000,000 | £883,238 |

Table 2 - Breakdown of Outcomes from 1 April 2014 – 31 July 2014

| Area | £ | Outcomes |
|------------------------------|---------|---|
| Housing Benefit | 711,054 | 7 Cautions |
| Council Tax Benefit | 53,810 | 3 Administrative penalties |
| National Benefits (JSA & IS) | 49,404 | 6 Prosecutions (See paragraph 4 below) |
| Non Benefit | 68,970 | 1 Caution |
| | | 3 Disciplinary outcomes* |
| Housing outcomes** | | 6 Properties recovered 2 people removed from housing list 4 Right to buy applications refused |

*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 during the period of this report.

4. Prosecution detail

4.1 During the period 1 April 2014 and 31 July 2014 sentence was passed in six cases. The types of sentence are noted for below for Members interest.

| Name | Sentence | Type of fraud | Overpayment |
|----------|---|--|---|
| Chitavel | 100 hours community punishment order | Co-habiting with an undeclared partner | Income Support £25,743, Housing Benefit £24,858 Council Tax Benefit £5,271 |
| Kahuya | 14 months custodial sentence | Non-residence | Income Support £15,126 Housing Benefit £9,858 Council Tax Benefit £1,992 |
| Mwamba | 30 months custodial sentence | Undeclared capital | Housing Benefit £39,616 Council Tax Benefit £3,162 |
| Jarret | 4 weeks custodial suspended for 12 months 100 hours community punishment order | Undeclared student status | Income Support £9,827 Housing Benefit £14,418 Council Tax Benefit £2,499 |
| Holden | Custodial sentence suspended for 2 months and 200 hour | Working and claiming | Income Support £14,453 Housing Benefit £10,154 Council Tax £1,623 |
| Tracey | 15 months custody | Identity | Housing Benefit £2,393 Council Tax £202 |

5. FINANCIAL AND RISK ASSESSMENTS

- 5.1. The budget provision for the audit and anti-fraud service for 2014/15 is £662,000 and the service has been delivered within budget.
- 5.2. There are no further risk assessment issues than those already detailed within the report.

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

6. COMMENTS OF THE SOLICITOR TO THE COUNCIL

- 6.1 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)

7. HUMAN RESOURCES IMPACT

- 7.1 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)

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

- 8.1 There are no further considerations in these areas.

9. EQUALITIES IMPACT ASSESSMENT

- 9.1 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 elsewhere on this agenda), this approach is to be reviewed before the end of the year.

CONTACT OFFICER: Simon Maddocks
(Head of Governance)

BACKGROUND DOCUMENTS: None