

<b>REPORT TO:</b>	<b>GENERAL PURPOSES AND AUDIT COMMITTEE</b> <b>14 September 2016</b>
<b>AGENDA ITEM:</b>	<b>9</b>
<b>SUBJECT:</b>	<b>Anti-Fraud Report 1 April – 31 July 2016</b>
<b>LEAD OFFICER:</b>	<b>Simon Maddocks</b> <b>Head of Governance</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b>	
<p>The work of the Audit &amp; 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.</p>	
<b>FINANCIAL SUMMARY:</b>	
<p>The budget provision for the Anti-Fraud service for 2016/17 is £490,000 and the service is on target to be delivered within budget.</p>	
<b>FORWARD PLAN KEY DECISION REFERENCE NO: N/A</b>	

**For general release**

<p><b>1. RECOMMENDATIONS</b></p> <p>1.1 The Committee is asked to:</p> <ul style="list-style-type: none"> <li>•Note the Anti-fraud activity of the Corporate Anti-Fraud Team for the period 1 April – 31 July 2016;</li> </ul>
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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 details of the team's performance together with an update on developments during the period 1 April - 31 July 2016.

### 3. DETAIL

#### Performance 1 April to 31 July 2016

- 3.1 The CAFT comprises 13 staff (12.6 FTEs), including investigators an Intelligence Officer and an Investigation Manager, in addition we receive support from Mazars PSIA Ltd, the Council's external strategic partner. The CAFT investigates allegations of fraud which affect the Council's business. In addition the team provides a service to the London Borough of Bexley to investigate allegations of fraud made against them and support to the fraud team at the London Borough of Lambeth. It also provides Financial Investigation services to the South West London Fraud Partnership (SWLFP). Statistics related to Bexley, Lambeth and SWLFP work are not included in the figures below.
- 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**

	<b>ANNUAL TARGET</b>	<b>YEAR TO DATE PERFORMANCE</b>
<b>Successful Outcomes</b>	100	38
<b>Identified Overpayments &amp; Savings</b>	£1,250,000	£325,823

**Table 2 - Breakdown of Outcomes from 1 April – 31 July 2016**

<b>Outcomes</b>	<b>Value £</b>
<b>Housing</b>	
8 Recovered Properties	144,000
1 Right to Buy stopped	95,700
1 Removed from Temp Accommodation	18,000
1 Removed from Housing list	**18,000
1 Succession Stopped	18,000
2 Notices/Orders*	-
<b>Other</b>	32,123
4 Formal Cautions	
4 Disciplinary Action	
2 Council tax Discounts	
5 Blue Badges Recovered	
1 Insurance Claim Stopped	

2 Care Package Stopped 3 Safeguarding Referrals 1 Recommendations for Improvements	
<b>Prosecutions</b>  1 Blue Badge 1 Tenancy	
<b>Total</b> <b>38</b>	<b>325,823</b>

\*Includes: Notice Seeking Possession, Notice to Quit and Possession Orders

\*\* Non-cashable saving, as cost to the council only arises when someone moves from the list to a tenancy.

#### **4. BENCHMARKING**

4.1 At the last meeting of this committee, Members asked that the possibility of providing some benchmarking information could be explored.

4.2 At present there is nothing available that can give meaningful comparisons and for that reason this request remains unfulfilled. Attached to this report, however, is the 2016 Fraud Tracker which is published by CIPFA and to which Croydon Council has contributed. This shows the types of work and outcomes that are being achieved nationally, but which does not in the most part differentiate between very different types of organisation – thus making benchmarking meaningless. It does, however, give Members the opportunity to compare the issues in the report alongside the work of Croydon’s Corporate Anti-Fraud Team as reported in this and previous update reports.

4.3 The search for meaningful data to benchmark against will continue.

#### **5. LOCAL GOVERNMENT TRANSPARENCY CODE**

5.1 Members will be aware of the Local Government Transparency Code which requires Councils to publish data about various areas of their activities. Included in the 2014 code is detail on Counter Fraud work, most of this information has always been reported to committee; however there are some new areas which now need to be made public. These are detailed below:

Number of occasions the Council has used powers under the Prevention of Social Housing Fraud Act	5
Total number of employees undertaking investigations and prosecutions relating to fraud	12
Total number of full time equivalent employees undertaking investigations and prosecutions of fraud	11.2
Total number of employees undertaking investigations and prosecutions of fraud who are professionally accredited counter fraud specialists	11
Total number of full time equivalent employees undertaking investigations of and prosecutions who are professionally accredited counter fraud specialists	10.4
Total number of fraud cases investigated*	91

\*The number of investigations that have been closed during the period April to July '16.

## **6. FINANCIAL AND RISK ASSESSMENTS**

- 6.1 The budget provision for the audit and anti-fraud service for 2016/17 is £490,000 and the service has been delivered within budget.
- 6.2 There are no further risk assessment issues than those already detailed within the report.

(Approved by: Lisa Taylor, Assistant Director 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 for and on behalf of Jacqueline Harris-Baker, Acting Council Solicitor and Acting Monitoring Officer)

## **8. HUMAN RESOURCES IMPACT**

- 8.1 There are no immediate human resource considerations arising from this report for LBC staff or workers.

(Approved by: Jason Singh, Interim HR Business Partner on behalf of Heather Daley, Director of Human Resources)

## **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 has been completed for the Anti-fraud and Corruption Policy. No further action was found to be necessary.

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**CONTACT OFFICER: Simon Maddocks (Head of Governance)**