

# Cherwell District Council

## Accounts, Audit and Risk Committee

23 September 2015

### Corporate Fraud Team Quarterly Update

#### Report of the Head of Finance and Procurement

This report is public

#### Purpose of report

To provide members of Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including progress made on the team's business plan for 2015-2016.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report.

#### 2.0 Introduction

- 2.1 This report is to update members on the joint Corporate Fraud Investigation team and the progress that has been made on the objectives contained in the team's business plan for 2015-2016.

#### 3.0 Report Details

##### Background

- 3.1 Members may recall that the Housing Benefit fraud investigation function at both Cherwell District Council (CDC) and South Northants Council (SNC) transferred to the new DWP Single Fraud Investigation Service (SFIS) from 1<sup>st</sup> February 2015.
- 3.2 Following the implementation of SFIS the following areas of work remained with the local authority:
  - Council Tax Reduction fraud investigations
  - the compilation of information and evidence requested by DWP in support of a fraud investigation
  - amendments to any HB claims and the collection of any overpayments
  - participation in the National Fraud Initiative (NFI) for both benefits and Council Tax
  - Corporate fraud and error investigations, including tenancy fraud, Council Tax discount/exemption fraud, NDR error and avoidance and procurement fraud.

- 3.3 A business case was agreed to implement a joint fraud team working across CDC and SNC to protect the councils from fraud and error and to protect the public purse.

#### **Corporate Fraud Team**

- 3.4 The Corporate Fraud Team (CFT) comprises of two posts, a Senior Corporate Fraud Investigator (SCFI) who has been in post since 1<sup>st</sup> February 2015 and a Corporate Fraud Investigator (CFI) who took post on 23<sup>rd</sup> March 2015. A temporary additional resource has also been sourced to help with the National Fraud Initiative at both authorities and this was funded by the DCLG grant highlighted at 3.7 of this report. The team work as part of the Welfare and Debt Advice team in the Finance Division and offer a fraud investigation service across both Councils. The team also continue to work collaboratively with Stratford District Council whilst they are in the lead up to their transfer to SFIS in February 2016.
- 3.5 As the service is new it was agreed that the team's initial focus will be on building the team, raising awareness of corporate fraud and establishing internal and external partnerships as well as completing the National Fraud Initiative for both Councils.

#### **Corporate Fraud Business Plan 2015-2016**

- 3.6 A Business Plan was agreed to underpin the work of the team during 2015-2016 including introducing targets in some areas against which performance is being measured. The Business Plan (including the objectives and any progress made) has been updated for the first quarter of 2015-2016 and a copy is shown at Appendix 1 of this report. The highlights are as follows:

- Corporate Fraud Officer has been recruited and has just successfully completed his probation period. He has a training plan in place which continues to be updated.
- A new IT system, Intec Debtor Information System (iDIS), has just been procured for a period of 12 months. This is a web based system that allows for centralised viewing of data without the need to wait for external reports from data matches. It shows all the information available on particular individuals and addresses based on simple searches. The licence allows for unlimited users and the system can be used by other departments such as debt recovery and housing. The system has just been installed and training will be rolled out during September 2015.
- Collaborative working with partners has been progressed and meetings have been held with both internal and external partners. Colleagues in Housing, Planning and Service Assurance have expressed interest in working with the Corporate Fraud team.
- Communications have been put in place to increase fraud awareness and fraud prevention including articles in both In Brief and Cherwell Link.

#### **DCLG Funding**

- 3.7 Members may recall that a successful bid was submitted to DCLG for funding to support the work on corporate fraud and £129,625 was secured to help in achieving the following:
- Implementation of a shared fraud team including the cost of temporary fraud officer to assist with NFI.

- Progression of a project on shared IT and data sharing and, as outlined in the report, iDIS system has been procured.
- Introduction of shared practices and procedures
- Investigation and development of joint working with internal and external partners on fraud investigation
- Training and development for the team
- Supporting new incentives such as the joint Business Support team to minimise fraud and error.

3.8 DCLG are monitoring the work carried out through progress reports to ensure the funding is being used as set out in the bid document. An update report was sent to DCLG in March 2015 (copy at Appendix 2) and a further report is due in the very near future.

### **Next Steps**

3.9 The Corporate Fraud team will be looking to complete all the NFI matches (Single Person Discount and Housing Benefit) for both authorities by 30 September 2015. Members will receive an update on the results from NFI at a future meeting of this Committee.

3.10 During September and October 2015 the team will be offering demonstrations of the iDIS system to partners who may be looking to utilise the software and to work with the Fraud team.

3.11 The Senior Corporate Fraud Investigations Officer is currently reviewing all the policies that underpin the team's work. The updated documents will be presented to members of this committee for approval. The Senior Officer is also in the process of arranging an anti-fraud and error awareness day for all partners which will be held during October 2015.

## **4.0 Conclusion and Reasons for Recommendations**

4.1 Following the introduction of SFIS an opportunity was presented to review the way in which corporate fraud investigations should be undertaken across both councils in order to protect them from fraud and error and to protect the public purse. Members are asked to note the contents of this update report.

## **5.0 Consultation**

5.1 Consultation on the original business case took place with members of Joint Arrangement Steering Group and reports were received by Executive.

## **6.0 Alternative Options and Reasons for Rejection**

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not to have an anti-fraud presence at each council. This would expose both councils to the risk of fraud and error, and this in turn may pose a risk to the public purse.

## 7.0 Implications

### Financial and Resource Implications

There are no financial implications directly arising from this report

Comments checked by:

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### Legal Implications

7.2 None arising as this is an information report.

Comments checked by:

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## 8.0 Decision Information

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

This links to the Council's priority of an accessible value for money council.

### Lead Councillor

Councillor Ken Atack, Portfolio Holder for Financial Management

### Document Information

Appendix No	Title
Appendix 1	Updated for Quarter 1 2015-2016
Appendix 2	DCLG update report March 2015
Background Papers	
None	
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