

Cherwell District Council

Accounts, Audit and Risk Committee

23rd March 2016

Corporate Fraud Team Update

Report of 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 and to ask members to consider and endorse the joint Whistleblowing and Anti-Fraud and Anti-Corruption Policies which have been reviewed and to consider and endorse the new Fraud Response Plan Policy..

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report.
- 1.2 To consider and endorse the policy changes to the Joint Whistleblowing Policy and the Anti-Fraud and Anti-Corruption Strategy and the new Fraud Response Policy.

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 since the last report to this Committee. This report will also outline a review of some of the policies that underpin the work of the team and the introduction of a new Fraud Response Policy.

3.0 Report Details

3.1 Background

Following the transfer of the Housing Benefit fraud investigation function to the new DWP Single Fraud Investigation Service (SFIS) from 1st February 2015 the local authority retain a number of areas including: .

- Council Tax Reduction fraud investigations
- the Single Point of Contact for Department for Work and Pensions including compilation of information and evidence requested by DWP in support of a Housing Benefit fraud investigations

- amendments to any HB claims following an investigation 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.
- Housing Benefit Matching System (HBMS) for both councils.

3.2 A joint Corporate Fraud team has now been established for almost 12 months with the aim of protecting both Councils from fraud and error and to protect public funds.

Corporate Fraud Team

3.3 The Corporate Fraud Team (CFT) comprises of two posts, a Senior Corporate Fraud Investigator (SCFI) who has been in post since 1st February 2015 and a Corporate Fraud Investigator (CFI) who took post on 23rd March 2015. The Senior Corporate Fraud Investigator is currently on maternity leave and an experienced temporary Senior Investigator has been sourced to provide maternity leave cover. An additional resource is still in place funded by the DCLG grant.

Update on the Corporate Fraud Team

3.4 A Business Plan was agreed to underpin the work of the team during 2015-2016 and members of this Committee have received regular reports on the progress made against this Plan. With the agreement of members an end of year report will be presented to the Committee at the meeting in June 2016 along with a new Business Plan for the year 2016-2017. Since the last update in January 2016 the team have continued to work to achieve the objectives contained in the plan. The highlights are as follows:

- As members are aware National Fraud Initiative (NFI) matches are split into two distinct areas: flexible matching and standard NFI matching. In 2015-2015 the team have looked at around 5,000 Council Tax and Housing Benefit matches for both CDC and SNC. At the time of writing this report a total of £141,433 has been rebilled to customers in 2015-2016 as a direct result of NFI. NFI continues to be a main focus for the team with a further round of flexible matches for Council Tax and Electoral roll being delivered last month.
- One of the objectives contained in the Business Plan is a communication plan aimed at promotion of the team and to increase fraud awareness. In the last month there have been a number of changes made to the websites to place greater emphasis on the Corporate Fraud team as we move away from Housing Benefit fraud investigations. An article has also been placed in the In Brief newsletter to all staff and members. The Senior Corporate Fraud Investigations Officer is currently planning a Fraud Awareness day for officers, members and partners.
- The introduction of TrustID scanners has been agreed for a trial period of 12 months. This software is a reliable way to scan and validate identity documents such as passports, visas and driving licences and allows us to carry out checks at a reduced price and so reduce exposure to fraud and error. Colleagues in Democracy, Housing, Customer Services and Revenues are signed up to utilising the scanners which will be located at

The Forum and Bodicote House. Further scanners may be purchased for the offices at Kiddlington, Bicester and Banbury.

- Partnership working with Social Housing Providers continues to be successful. At the time of writing this report the Corporate Fraud team have 6 open investigations and have recently closed a tenancy fraud investigation which although did not lead to any prosecution did reveal a welfare issue that the Housing Association have now taken on board.
- The Single Point of Contact role enables Housing Benefit enquiries to be made by DWP and facilitates the exchange of information between the two Councils and DWP. This work continues to be time-consuming. However the team have established a good relationship with the DWP both in Northampton and Oxford and, as a result, have been invited to take part in a number of joint interviews with the Single Fraud Investigation Team which has in turn assisted in our investigations into the Council Tax Reduction fraud side of the claim.

Policy Review

3.5 There are a number of policies that underpin the work of the Corporate Fraud team and the corporate aim to protect the Councils from fraud and error and protect public funds. The following policies have recently been reviewed:

- Joint Whistleblowing Policy shown at Appendix A of this report. There have been only very minor changes to this Policy which applies to all employees including causal and agency staff in encouraging them to come forward with any concerns about any aspect of the Council's work.
- Anti-Fraud and Anti-Corruption Strategy shown at Appendix B of this report. Again there have been very minor changes made to this policy which underpins the anti-fraud and anti-corruption culture across the Councils.
- The Fraud Response Plan shown at Appendix C of this report is a new document which aims to ensure that there is a clear understanding around who will conduct investigations, the responsibilities of officers, that there is substance and evidence to support any allegation and how any investigations will be conducted. on of shared practices and procedures

4.0 Conclusion and Reasons for Recommendations

4.1 Members are asked to note the contents of this report and to approve that an end of year report and a new Business Plan for 2016-2017 be considered at the next meeting of this Committee.

4.2 Members are also asked to endorse some minor changes to the Joint Whistleblowing and Anti-Fraud and Anti-Corruption Policies shown at Appendix A and Appendix B of this report and to endorse the new Joint Fraud Response Plan shown at Appendix C.

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:

Martin Henry, Director of Resources,

martin.henry@cherwellandsouthnorthants.gov.uk

Legal Implications

The amendments to the whistleblowing policy include changes to ensure compliance with the Public Interest Disclosure Act 1998 as amended.

Comments checked by:

Kevin Lane, Head of Law and Governance

kevin.lane@cherwellandsouthnorthants.gov.uk

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 and Procurement

Document Information

Appendix No	Title
A	Joint Whistleblowing Policy
B	Joint Anti-Fraud and Anti-Corruption Policy
C	Fraud Response Plan
Background Papers	
None	
Report Author	Belinda Green (Welfare and Debt Advice Manager)
Contact Information	Belinda Green 01327 322182 belinda.green@southnorthants.gov.uk