

# **Cherwell District Council**

## **Executive**

**6 February 2017**

### **Corporate Fraud Prosecution and Sanction Policy**

#### **Report of Chief Finance Officer**

This report is public

#### **Purpose of report**

To provide members with the updated Joint Sanctions and Prosecution Policy and to seek approval to the reviewed policy.

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 To approve the updated Joint Corporate Fraud Prosecution and Sanction Policy.

#### **2.0 Introduction**

- 2.1 There is a Joint Sanctions and Prosecution Policy in place for both Cherwell District Council (CDC) and South Northamptonshire Council (SNC). . The policy ensures that both councils have guidelines in place to assist the decision making process when considering what further action is appropriate following an investigation.
- 2.2 The policy is also incorporated within the CDC and SNC Corporate Enforcement Policy and has been prepared with consideration of the regulators code, the principles of good regulation and on core principles found in the Crown Prosecution Service (CPS).

#### **3.0 Report Details**

##### **Background**

- 3.1 The Joint Corporate Fraud Team (CFT) was created in 2015. There are two posts, a Senior Corporate Fraud Investigator (SCFI) and a Corporate Fraud Investigator (CFI). The Senior Corporate Fraud Investigator has been in post since 1 February 2015 and the Corporate Investigations has been in post since March 2015.

3.2 The Corporate Fraud Business plan underpins the work of the team and is updated each year. The current plan for 2016-17 was agreed by Audit Accounts and Risk Committee on the 29 June 2016 and focuses on:

- Creating and promoting a robust anti-fraud culture across the councils
- Encouraging reporting of fraud
- Developing the new team while taking on new areas of work
- Develop IT systems to support the work of the team
- Strengthen the fraud and error management processes and governance
- Work with partners and other bodies to tackle and prevent fraud
- Investigate allegations of fraud in a timely manner
- To deal with offenders under the Prosecution and Sanctions policy.

3.3 The business plan is currently being reviewed. The updated plan for 2017-2018 along with an end of year report for 2016-2017 will be presented to a future meeting of this committee. The business plan and fraud work is underpinned by a number of policies including the Joint Sanctions and Prosecution policy.

#### **Corporate Fraud Sanctions and Prosecutions Policy.**

3.4 The Joint Sanctions and Prosecutions Policy ensures that both councils have guidelines in place to assist the decision making process when considering what further action is appropriate.

3.5 The Policy has been reviewed and updated. A copy is shown at Appendix A of this report with the main amendments highlighted. The changes have been considered by the Council's Legal Team and endorsed by members of Accounts Audit and Risk Committee.

3.6 The main changes are as follows –

- A panel style meeting has been agreed to discuss the suitability of a case for prosecution prior to the case files being prepared. This saves time as it means the team are not preparing cases to a high prosecution standard before a prosecution decision is made by Legal.
- CDC has been applying £70 penalties to Council Tax accounts when appropriate for some time. The updated policy allows this to be introduced for SNC.
- The £70 penalties could be applied to any accounts where the customer has failed to report a change within reasonable time limits without good reason. Council Tax officers are able to apply these fines, the corporate fraud team could also apply them for NFI SPD cases which don't meet prosecution criteria.
- There is also a £50 penalty which can be applied by the Benefits Entitlements team where a customer has failed to report a change in circumstances without reasonable excuse. The penalty can be applied to cases that haven't been looked at by fraud, the entitlements team will decide on whether the penalty should apply based on their set criteria.

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

- 4.1 The Executive is asked to consider and approve the updated Joint Sanctions and Prosecution Policy with the changes as outlined earlier in this report

## **5.0 Implications**

### **Financial and Resource Implications**

- 5.1 There are no financial implications directly arising from this report

Comments checked by:

Paul Sutton, Chief Finance Officer, 0300 0030106  
paul.sutton@cherwellandsouthnorthants.gov.uk

### **Legal Implications**

- 5.2 There are no legal implications directly arising from this report.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107  
kevin.lane@cherwellandsouthnorthants.gov.uk

## **5.0 Consultation**

Accounts, Audit and Risk  
Committee

Considered and endorsed at their meeting of 6  
December 2016

## **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: Not to approve the policy. This is not recommended as the the Joint Sanctions and Prosecutions Policy ensures that both councils have guidelines in place to assist the decision making process when considering what further action is appropriate.

## **7.0 Decision Information**

### **Key Decision**

**Financial Threshold Met: No**

**Community Impact Threshold Met: No**

## 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
A	Corporate Fraud Prosecution and Sanctions policy
Background Papers	
None	
Report Author	Belinda Green (Joint Revenues and Benefits Manager)
Contact Information	Belinda Green 01327 322182 belinda.green@cherwellandsouthnorthants.gov.uk