

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE

**AGENDA
ITEM NO**

28 JANUARY 2020

7

Report Title	COUNTER FRAUD UNIT REPORT			
Purpose of Report	To provide the Audit and Standards Committee with assurance over the counter fraud activities of the Council in relation to the work undertaken by the Counter Fraud Unit (CFU). The report is presented to the Audit and Standards Committee detailing progress and results for consideration and comment as the body charged with governance in this area.			
Decision(s)	The Committee RESOLVES to note the report and the work of the Counter Fraud Unit in fraud investigation			
Consultation and Feedback	Work provision for 2019/2020 was agreed with the Strategic Director Resources			
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Options	None. The CFU is a specialist criminal enforcement service working with all of the Gloucestershire Local Authorities, West Oxfordshire District Council and a number of other public sector bodies such as housing associations.			
Background Papers	None.			
Appendices	None.			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	No

1. INTRODUCTION / BACKGROUND

- 1.1. The Audit and Standards Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2. A summary of the work undertaken since 1 April 2019 is presented to the Audit and Standards Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

2. MAIN POINTS

- 2.1. As a dedicated investigatory support service, the CFU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This

includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work.

- 2.2. The CFU has been tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support), working closely with the Department for Work and Pensions in relation to Housing Benefit investigations. The team has received 7 referrals and closed 7 cases. This has resulted in the following results:
 - 1 successful Prosecution: the defendant pleaded guilty and received a 6 month custodial sentence suspended for 18 months. Additionally they were ordered to pay £929 in costs. The increased Council Tax revenue or fraudulently claimed Council Tax Support totalled £5,081.
 - 3 Civil Penalties and 2 Criminal Penalties have been applied totalling £958 and increased Council Tax revenue of £2,663 has been raised.
- 2.3. All Local Authorities participates in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office in a data matching exercise is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation. The CFU have been assisting the Revenues and Benefits Department with the review of any National Fraud Initiative (NFI) matches as directed by management and any results will be reported at a future date.
- 2.4. The CFU continues to support the Council in tackling tenancy fraud. The overall remit of the CFU is to prevent, detect and deter abuse of public funds and social housing.
- 2.5. Housing and tenancy fraud remains as one of the top four areas of fraud and abuse within the public sector. This takes many forms but the two most significant areas are Right to Buy and Illegal Subletting. The CFU will continue to work with the Council to tackle this effectively.
- 2.6. The Counter Fraud Officers are authorised under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014. This means they are authorised to obtain information relating to an individual from organisations such as financial institutions (banks, credit card companies), utility companies, communications providers and so on. The Act also created new offences in relation to housing fraud that can be prosecuted by Local Authorities acting on behalf of Social Landlords.
- 2.7. The CFU have received 7 referrals and closed 2 cases resulting in 2 Right to Buy applications being withdrawn.

3. CONCLUSION

- 3.1 The Council were fully supportive of the original Counter Fraud Unit project and funding bid and the CFU is now delivering financial results in this area.

4. IMPLICATIONS

4.1 Financial Implications

- 4.1.1 There are no financial implications arising directly from this report. The report detail includes savings generated through Counter Fraud work.
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4.2 Legal Implications

- 4.2.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

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4.3 Equality Implications

- 4.3.1. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.
- 4.3.2. The application of these Policies, to govern surveillance and the obtaining of personal communications data, ensures that there is less risk that an individual's human rights will be breached. Furthermore it protects the Council from allegations of the same.

4.4 Environmental Implications

- 4.4.1. There are no significant implications within this category.