

AUDIT COMMITTEE 31 May 2023

FRAUD ANNUAL REPORT 2022/23

1. RECOMMENDATION

- 1.1 That the Audit Committee note the contents of the report.

2. INTRODUCTION

- 2.1 The Council is committed to preventing and detecting fraud and will deal openly and forcefully with anyone who acts dishonestly. This report provides an update of the fraud activities for 2022/23.
- 2.2 The Corporate Fraud and Compliance Officer (0.56 FTE) supported the Revenues, Benefits and Housing team with investigations during 2022/23 and seeks to promote fraud and error throughout the council. The role is also responsible for the Housing Benefit Assurance Process and working with external auditors as part of the Housing Benefit Subsidy claim.

3. FRAUD REFERRALS

- 3.1 In 2022/23 there have been 46 fraud referrals received relating to Housing Benefit, Council Tax Reduction, Single Person Discount and Housing tenancy issues. Referrals are received via Department for Work and Pensions, our website, by phone to our dedicated line, or internally from staff. The category of referral is shown in the following table:

Service	Type of referral	No of referrals	Ongoing cases	Closed cases
Benefits				
	Living Together	13	2	11
	Undeclared Capital	2	1	1
	Undeclared Earnings/Pension	6	0	6
	Household composition	7	2	5
Housing				
	Housing Tenancy	9	5	4
Revenues				
	Council Tax / Single Person Discount	9	1	8
	Total Referrals	46	11	35

- 3.2 Following investigations there has been a total of £24,723. 25 in Housing Benefit overpayments and £11,066.11 in Council Tax Reduction non-entitlement. One Civil Penalty has been issued.
- 3.3 Nine allegations of non-residency of a council owned property were received and investigated, working jointly with Housing., These investigations have resulted in four Council properties being returned thus bringing them back into use for much

needed accommodation and allocated to a household with a priority housing need. The remaining five cases are ongoing investigations.

4. JOINT WORKING WITH THE DEPARTMENT FOR WORK AND PENSIONS (DWP)

- 4.1 The Council is working in partnership with the Department for Work and Pensions (DWP) on joint investigations and prosecutions whereby Council Tax Reduction fraud will be included along with DWP benefit fraud. This is voluntary for local authorities, but mandatory for the DWP where the local authority signs-up. There is no funding from DWP, nor is there a Service Level Agreement, however, there is a Data Sharing Agreement.
- 4.2 As any Council Tax Reduction “overpayment” will be included with the DWP overpayment, this may increase the likelihood of a sanction or prosecution. There will be no cost to the council where there is a prosecution.
- 4.3 Following the pandemic, joint working is returning with an emphasis on rebuilding working relationships with the DWP and a meeting is booked with the DWP Area Partnership Manager to further progress this.

5. NATIONAL FRAUD INITIATIVE

- 5.1 The council partakes in the Cabinet Office National Fraud Initiative which is a biennial exercise that matches data within and between public and private sector bodies to prevent and detect fraud. There is a legal obligation to supply data but not to undertake the exercise. The Council needed to supply the Cabinet Office data in September 2022 ready for the data match exercise for the 2022/23 year. We received 1,304 data-matches in January 2023, and we target referrals considered to be high risk of fraud. The interrogation of these matches is currently ongoing.
- 5.2 The breakdown of data matches is as follows:

Area	No. of matches
Internal (payroll/pension/procurement)	64
Housing Estates (non-residence/deceased/right to buy)	103
Housing Options (waiting list)	85
Revenues & Benefits (non-residence/entitlement/income)	260
Finance (duplicate creditors)	792
Total	1,304

6. PAYMENTS TO HOUSEHOLDS

- 6.1 The £150 Energy Rebate scheme was announced to support households in council tax bands A to D with the cost of living, and the Household Support Fund was administered via an application process to support vulnerable households with housing costs. In developing the application process a fraud risk review was undertaken with recommended actions to mitigate fraud and error.

7. TRAINING

- 7.1 Our e-learning training module is completed by staff every two years and we are currently reviewing the content.
- 7.2 Information Officers were reminded of the Money Laundering policy and procedure.
- 7.3 There is attendance at the Hampshire Fraud Group to keep updated on any changes and to discuss training, new initiatives, and good practices.

8. FRAUD RISK REGISTER

- 8.1 As part of promoting a counter fraud culture, and to raise awareness, each service is asked to consider and complete a fraud risk register for their service. This means Service Managers review their service to identify potential risks of fraud, the controls in place and if any controls are required to eliminate or mitigate fraud.
- 8.2 Service Managers are responsible for reviewing their Fraud Risk Register as part of an annual review process to ensure accuracy and to reflect any changes to service delivery.

9. PUBLICITY

- 9.1 We continue to publicise fraud where appropriate and let it be known that we act on information shared with us.

10. FUTURE ACTIVITIES

- 10.1 We have reviewed our website and will be launching our central fraud landing page with links to services, for example Benefits and Housing, to provide information on how to report fraud, as well as information about scams. We will also utilise social media to promote awareness.
- 10.2 We will continue to work with teams to review processes and procedures and to raise awareness of mitigating fraud and error.

Further Information:

Ryan Stevens

Service Manager – Revenues, Benefits and Customer Services

ryan.stevens@nfdc.gov.uk