

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT
AND STANDARDS
COMMITTEE**

Date of Meeting: 28th January 2016

Subject: **INFORMATION REPORT**
Corporate Anti-Fraud Team
Mid Year Report 2015-16

Responsible Officer: Tom Whiting – Corporate Director of
Resources & Commercialisation

Exempt: No

Wards affected: All wards

Enclosures: Appendix 1

Section 1 – Summary

This report sets out the mid year progress of the Corporate Anti-Fraud Team against its fraud plan objectives for the 2015-16 financial year and a general update in relation to financial savings and structural changes.

FOR INFORMATION

Section 2 – Report

This is an information report and details the mid year performance progress outcomes for the Corporate Anti-Fraud Team against the Service Plan 2015-16 and also provides an update on recruitment issues and structural changes to the team in year and for 2016-17 brought about by the need to deliver savings.

2015-16 progress against plan

2.1 Of the 13 objectives in the CAFT Service Plan 2015-16, five have been met, three are on target, two are behind target and three are not being met. See Appendix 1 for full financial supporting details and commentary surrounding the objectives.

2.2 Of particular note was the financial income target (objective 10) which has been surpassed and came about following an ongoing Council Tax Support investigation generating income for Housing Benefit amounting to £39,000 in the repayment of a large overpayment of benefit.

2.3 On another positive note, the housing hub has now been fully rolled out and the authority will continue to submit data each month in terms of its council tax support, housing tenancy and waiting list data. It is hoped that fraudulent cases will start to be identified either at the gateway to services or certainly much sooner than would have happened had the authority not have joined the hub. Preventing fraud entering the authority's housing and council tax support system is central to the work of the hub.

2.4 The Experian data match project was complete, but did not produce the results that had been achieved in the previous exercise in 2011. The matches produced far too many exceptions that appeared to be indicating a fraud but resulted in no further action. Introducing greater localised parameters will be key to running any future similar projects.

2.5 The piece of work assisting school admissions equipped them with evidence to challenge applicants on the accuracy of their applications. This resulted in a number of applications being amended and withdrawn.

2.6 Good progress is being made in terms of Council Tax Support, blue badge fraud work, housing application/waiting list and the National Fraud Initiative (NFI). Even though work on tenancy fraud is behind target, there is sufficient work at an advanced stage for the results to come through in the latter part of the year.

2.7 The work involving the main Registered Social Landlord's (RSL) in Harrow will be targeted before the end of the financial year to discuss setting up an agreement to work closer together on fraud, particularly given the Right to Buy (RTB) fraud risks they will be facing when the government introduces legislation allowing their tenants to purchase properties. Not all RSL's have the right skills, knowledge and expertise to validate RTB applications and undertake resulting investigation work. There is real potential for the authority

to undertake this work on behalf of the RSLs if the associations would consider combining forces and jointly funding this ringfenced work where the post could tap into the resources and intelligence networks already in place and being used by the team.

2.8 A campaign of fraud awareness will be picked up as part of the CIPFA Code on Managing the Risk of Fraud & Corruption project and both of these objectives will not be fully achieved in 2015-16 and will transfer over to 2016-17.

2.9 Fraud work on direct payments which continues to be classed as high risk for Councils given the amount of spend, continues to be challenging as gaining access to the relevant data is difficult, but it is hoped that progress will be made in the latter part of the year.

Recruitment issues in 2015-16 and structural changes 2016-17

2.10 From April 2015 the team has been operating running with a vacancy which had become difficult to recruit to and this has impacted on the team, particularly following the transfer of staff under SFIS in October 2014.

2.11 The vacancy was eventually filled temporarily in early October 2015 but the employee left after 9 weeks. A four week delay in replacement followed as the Council reviewed its mid year budget forecast and put in place plans to respond to spending pressures.

2.12 The Internal Audit & CAFT section of the Resources Directorate is faced with making a £45,000 contribution towards the overall savings required by the Council for 2016-17 and 2017-18. This saving is to be delivered in two tranches of £30,000 in 2016-17 and a further £15,000 in 2017-18.

2.13 Given the position that a permanent post in the CAFT was vacant and only filled in October 2015 for a period of 9 weeks, a decision was made to delete the post and offer this up to meet the savings target. This move, whilst regrettable, avoids redundancies impacting both the CAFT and Internal Audit permanent establishment. Please see Appendix 2 for CAFT structure comparison for 2015-16 and 2016-17.

2.14 The post funded by the Housing Revenue Account (HRA) for 1 year responsible for undertaking fraud work involving housing applications and the waiting list became vacant in December 2015 and is currently being recruited to on a temporary basis until the end of the year. It is unlikely that this post will continue to be funded in 2016-17 due to budget constraints within Housing.

2.15 The net result of the above difficult financial decisions and structural changes will mean that for the 2016-17, the team is likely to be reduced by two FTE's.

Financial Implications

The financial implications have been shown where appropriate in the report

Risk Management Implications

None

Equalities implications

None

Council Priorities

The performance of the Corporate Anti-Fraud Team contributes to all of the corporate priorities by preventing, detecting and investigating fraud affecting the authority.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 19 th January 2016		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Justin Phillips, Corporate Anti-Fraud Manager

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	NO
2.	Priorities	NO