

Counter Fraud Update Report

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

1.1 To provide the Committee with a six-monthly update on counter fraud activity.

RECOMMENDATION(S)

That Committee:

1. Notes the latest counter fraud activity.

2 Reason for Recommendations

2.1 To ensure the Committee has an oversight of the Council's investigation and counter fraud activity.

3 Background

3.1 The Council has a zero tolerance to fraud and corruption which is communicated and enforced through its policies and procedures. In order to actively promote this culture and ensure controls are robust as possible, the Head of Internal Audit and the Director for Corporate Services review fraud risks and assess against good practice on a regular basis. Opportunities are also sought to engage with staff and maintain awareness of key policies and expectations.

3.2 This report is intended to provide an update on counter fraud activity.

4 Main Considerations

4.1 During the last six months, pro-active counter fraud activity at the Council has included the following:

Prevention

- a) Providing advice and sharing intelligence in relation to fraud alerts and trends.
- b) Bribery risk assessment and completion of actions arising from this.

Detection

c) Participation in the Cabinet Office's Social Housing Fraud pilot data matching exercise. This is an exercise trialling the use of new data (such as credit reference agency records and financial data) to identify potential indicators of social housing fraud, including sub-letting of Council houses. The data was submitted in July 2022 and the matches were received in October 2022. This highlighted 235 matches for investigation.

The matches included 30 cases where the named tenant was deceased – of these, there were 17 properties where other individuals had been linked to the address, based on data sources applied.

A further 205 cases were identified where the named tenant was linked to a different address and other individuals were linked to the Council property. This could be an indicator of illegal sub-letting of a Council property.

At the time of reporting, 100% of the data matches where the named tenant was deceased are being investigated. Around a third of these cases have already been closed, with no formal action required. The other cases are being investigated by Housing Officers. For the matches where the tenant is linked to another address, a sample of 50 cases is currently being investigated. Depending on the outcomes, this may then be extended to the full list of matches.

- d) Monitoring of the Council's 'Report Fraud' mailbox and investigation of a number of referrals, regarding single person discounts, business rates and tenancies.
- e) Uploading of all datasets required for the National Fraud Initiative exercise in September 2022 and December 2022, ahead of the mandatory deadlines.

Compliance

- f) Regular review of the Council's Fraud Risk Register and reference to this in planning Internal Audit coverage for 2023/24.

5 Options Considered

5.1 Not applicable.

6 Consultation

6.1 Not applicable.

7 Next Steps – Implementation and Communication

7.1 Internal Audit will continue to work with the Council to build upon its counter fraud work to date and to continue to review and manage fraud risks.

8 Financial Implications

8.1 There are no financial or other resource implications arising directly from this report.

Financial Implications reviewed by: Director for Corporate Services

9 Legal and Governance Implications

The Council has an on-going obligation to detect and investigate localised fraud and to prevent reoccurrence by risk management and the continuance of good governance including best practice and by following evolving anti-fraud initiatives

Legal Implications reviewed by: Monitoring Officer

10 Equality and Safeguarding Implications

10.1 There are no equalities or safeguarding implications arising directly from this report.

11 Community Safety Implications

11.1 There are no community safety implications arising directly from this report.

12 Environmental and Climate Change Implications

12.1 There are no environmental or climate change implications arising directly from this report.

13 Other Implications (where significant)

13.1 There are no other implications arising directly from this report.

14 Background Papers

14.1 Not applicable.

15 Appendices

15.1 None

Report Author:	Rachel Ashley-Caunt , Chief Internal Auditor
Report Author Contact Details:	Rachel.ashley-caunt@northnorthants.gov.uk
Chief Officer Responsible:	Dawn Garton , Director for Corporate Services
Chief Officer Contact Details:	01664 502444 DGarton@melton.gov.uk