

## **Update on anti-fraud activities**

### **SUMMARY**

- 1.1 This report provides an update on the anti-fraud activities being undertaken within the Council.

### **RECOMMENDATION**

- 2.1 To note the actions and the progress being made on the clearance of National Fraud Initiative matches and associated anti-fraud activities.

### **REASONS FOR RECOMMENDATION**

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

### **SUPPORTING INFORMATION**

#### **National Fraud Initiative (NFI)**

- 4.1 Work is continuing on clearing the matches released in January 2015. Tables 1 and 2 below show the number of matches reported, and the percentages cleared. The NFI team do not expect 100% clearance of all matches.

Table 1: NFI Matches

| Service                   | Total number of matches | “Mandatory” matches |
|---------------------------|-------------------------|---------------------|
|                           |                         |                     |
| Housing benefit           | 2616                    | 883                 |
| Payroll                   | 180                     | 1                   |
| Derby Homes               | 109                     | 17                  |
| Blue badges               | 1025                    | 980                 |
| Residential care homes    | 96                      | 49                  |
| Creditors                 | 4826                    | 440                 |
| Residents parking         | 3                       | 3                   |
| Concessionary travel      | 733                     | 731                 |
| Mixed data source reports | 174                     | 70                  |
| Markets                   | 6                       | 0                   |
| Personal budgets          | 29                      | 4                   |
| <b>TOTAL</b>              | <b>9797</b>             | <b>3178</b>         |

4.2 As at 11 March 2016, the number of cases cleared were:

Table 2: Cleared cases

| Service                   | Number of matches cleared | Number of “mandatory” responses cleared | Percentage cleared |               |
|---------------------------|---------------------------|---|--------------------|---------------|
|                           |                           |   | total              | mandatory     |
| Housing benefit           | 108                       | 85                                      | 4.13%              | 9.63%         |
| Payroll                   | 178                       | 1                                       | 98.89%             | 100%          |
| Derby Homes               | 29                        | 16                                      | 26.61%             | 94.12%        |
| Blue badges               | 1004                      | 978                                     | 97.95%             | 99.8%         |
| Residential care homes    | 96                        | 49                                      | 100%               | 100%          |
| Creditors                 | 35                        | 17                                      | 0.73%              | 3.86%         |
| Residents parking         | 3                         | 3                                       | 100%               | 100%          |
| Concessionary travel      | 29                        | 29                                      | 3.96%              | 3.97%         |
| Mixed data source reports | 174                       | 70                                      | 100%               | 100%          |
| Markets                   | 0                         | 0                                       | 0%                 | n/a           |
| Personal budgets          | 8                         | 3                                       | 27.59%             | 75%           |
| <b>TOTAL</b>              | <b>1664</b>               | <b>1251</b>                             | <b>16.98%</b>      | <b>39.36%</b> |

4.3 As has been the case in previous NFI exercises, there are a high number of creditors’ matches. This is due to many suppliers being listed twice, as they are suppliers to both the Council and schools, and many matches appear on several reports. As a result, the matches checked are done on a “sample” basis as they have proved unproductive in the past.

- 4.4 The benefit matches usually produce the majority of the recovered sums, but take the longest to investigate. Since the last report the team who had been working on these cases has been transferred to the Department for Work and Pensions as part of the Single Fraud Investigation Service (SFIS).
- 4.5 As at 11 March 2016, a total of £2,354.00 had been identified as overpaid in personal budgets. This was 1 case which had been identified as an error. Additionally £5,416.19 had been identified as overpaid housing benefit. This consisted of 5 cases identified as customer errors.
- 4.6 Matches between Council Tax and Electoral Roll records are now performed on an annual basis. As at 11 March 2016, the clearance status on these records were:

Table 3: Council Tax/Electoral Register Matches

| Dataset released December 2014 | Released    | Cleared    | clawback          |
|--------------------------------|-------------|------------|-------------------|
| Council Tax to electoral roll  | 2452        | 415        | £77,976.75        |
| Council Tax to rising 18       | 130         | 116        | £12,057.49        |
| <b>TOTAL</b>                   | <b>2401</b> | <b>531</b> | <b>£90,034.24</b> |
|                                |             |            |                   |
| Dataset released December 2015 |             |            |                   |
| Council Tax to electoral roll  | 2926        | 47         | £4,304.60         |
| Council Tax to rising 18       | 231         | 0          | 0                 |
| <b>TOTAL</b>                   | <b>3157</b> | <b>47</b>  | <b>£4,304.60</b>  |

- 4.7 The next cycle of NFI uploads is expected to be due in October 2016. However, this will be the first exercise carried out completely by the Cabinet Office, rather than the Audit Commission, so changes to the timetable and the topics covered may arise. Further details will be provided in future update reports.

### **Anti-Fraud activity surveys**

- 4.8 Members will be aware of the two anti-fraud surveys which were completed by officers at the start of this financial year. A report was submitted to this committee in September 2015 updating Members of the results of the TEICCAF survey. The results from the CIPFA survey were due to be released in autumn 2015, but have yet to be published.

### **Whistleblowing**

- 4.9 There has been 1 disclosure made under the Council's Whistleblowing policy in the last period.

### **Anti-Money Laundering**

- 4.10 There have been no instances reported to the Anti-Money Laundering Reporting Officer in the last period.

- 4.11 CMAP auditors have examined anti-money laundering procedures at other authorities served by the partnership and have suggested some additional measures to ensure that the Council is protected in this respect. These measures will be put forward for adoption in the near future.

### **Bribery Act 2010**

- 4.12 There have been no reports of suspicions of bribery made under the Anti-Bribery Policy in the last period.

|                                 |
|---------------------------------|
| <b>OTHER OPTIONS CONSIDERED</b> |
|---------------------------------|

- 5.1 N/A

**This report has been approved by the following officers:**

|                                 |     |
|---------------------------------|-----|
| <b>Legal officer</b>            | N/A |
| <b>Financial officer</b>        | N/A |
| <b>Human Resources officer</b>  | N/A |
| <b>Estates/Property officer</b> | N/A |
| <b>Service Director(s)</b>      | N/A |
| <b>Other(s)</b>                 | N/A |

|                                      |   |
|--------------------------------------|---|
| <b>For more information contact:</b> | Richard Boneham, Head of Governance and Assurance, 01332 643280richard.boneham@derby.gov.uk |
| <b>Background papers:</b>            | None  |
| <b>List of appendices:</b>           | Appendix 1 – Implications   |

|                     |
|---------------------|
| <b>IMPLICATIONS</b> |
|---------------------|

**Financial and Value for Money**

- 1.1 The charge for Unitary Councils participating in the National Fraud Initiative 2014/15 is £3,650. The fees are the same as for the 2012/13 NFI exercise.

**Legal**

- 2.1 None directly arising

**Personnel**

- 3.1 None directly arising

**IT**

- 4.1 None directly arising

**Equalities Impact**

- 5.1 None directly arising

**Health and Safety**

- 6.1 None directly arising

**Environmental Sustainability**

- 7.1 None directly arising

**Property and Asset Management**

- 8.1 None directly arising

**Risk Management**

- 9.1 Governance and fraud risks are monitored through the strategic risk register.

**Corporate objectives and priorities for change**

- 10.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.