

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

PROTECTING THE PUBLIC PURSE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To inform the Audit Committee of the main messages contained in the Audit Commission's counter fraud report Protecting the Public Purse 2014.
- 1.2 To invite Members to consider the checklist attached to the report showing arrangements that should be in place in model counter fraud procedures.
- 1.3 To take up the Commission's offer of receiving a fraud briefing by external audit on Protecting the Public Purse 2014.

2. BACKGROUND INFORMATION

- 2.1 The Audit Commission's latest annual counter fraud report, Protecting the Public Purse 2014 was published in October. The report provides those charged with governance in local government with information of councils' experience of fraud during 2013/14 and guidance on how they can fight fraud more effectively.
- 2.2 The report shows public sector fraud continues to be a significant problem:
 - In 2013, the National Fraud Authority estimated that fraud cost local government £2.1 billion, but this is probably an underestimate.
 - Each pound lost to fraud reduces the ability of local authorities to provide public services.
 - The more councils look for fraud, and follow good practice, the more they will find. Increasing levels of detection may be a positive sign that councils take fraud seriously rather than a sign of weakening of controls.
- 2.3 Local government organisations detected fewer frauds in 2013/14 compared with the previous year, continuing the decline noted in PPP 2013. However, their value increased by 6 per cent.

- The number of detected cases fell by 3 per cent to just over 104,000, while their value increased by 6 per cent to over £188 million.
- The number of detected cases of housing benefit and council tax benefit fraud fell by 1 per cent to nearly 47,000, while their value rose by 7 per cent to nearly £129 million.
- The number of detected cases of non-benefit fraud fell by 4 per cent to just over 57,400, while their value rose by 2 per cent to £59 million.

- 2.4 In the past 5 years, councils have shifted their focus from benefit fraud to non-benefit fraud.
- Between 2009/10 and 2013/14, councils consistently detected more council tax discount fraud than any other type of non-benefit fraud. In the most recent year, nearly 50,000 cases were found, worth £16.9 million.
 - Detected Right to Buy fraud cases have increased nearly five-fold since 2009/10 to 193 per year. In 2013/14 these were worth £12.3 million. The rise in the number of these frauds followed large increases in the discount threshold over this period.
 - The number of detected cases of social care fraud has more than trebled since 2009/10 to 438. In 2013/14, they were worth £6.2 million.
 - Detected cases of insurance fraud rose from 72 in 2009/10 to 226 in 2013/14 and were worth £4.8 million.
- 2.5 Detection rates for some types of frauds have fallen.
- In 2010/11, councils detected 319 cases of business rates fraud worth £5.7 million. In 2013/14, they detected 84 cases worth £1.2 million.
 - In 2010/11, councils detected 145 cases of procurement fraud worth nearly £14.6 million. In 2013/14, they detected 127 cases worth less than £4.5 million.
- 2.6 A small minority of 39 councils failed to detect any non-benefit frauds in 2013/14. This number is down by more than half since 2012/13, which is encouraging. The Commission would suggest that it is extremely unlikely that no non-benefit fraud occurred at these councils.
- 2.7 Councils believe that organised criminals present a low risk of fraud, but there is concern that organised crime is more prevalent in procurement fraud.
- 2.8 Councils are detecting more housing tenancy fraud. The number of social homes recovered from tenancy fraudsters increased by 15 per cent in the last year to 3,030. Councils outside London recovered more than 40 per cent of these homes which represents a marked improvement in their performance. Detected cases of fraud in maintained schools have risen by 6 per cent to 206, worth £2.3 million.

Most of these frauds were committed by staff, suggesting that some schools may have weak governance arrangements that mean they are more vulnerable to fraud.

2.9 In the current economic climate it is more important than ever to maintain strong defences against fraud. Some areas of good practice identified include:

- Adopting a zero tolerance policy towards fraud
- Working with partners in the public and private sectors to overcome barriers to effective fraud fighting
- Making best use of information and intelligence
- Taking legal action to recover fraud losses.

2.10 Overall the level of proven fraud is relatively low within the council as reported in the survey. The majority of all proven fraud detected by North Lincolnshire Council is housing benefit and council tax (HB&CTB) fraud. The number of HB&CTB frauds remain fairly constant in 2013/14 (from 268 (2012/13) to 261 cases). However 89 council tax reduction scheme fraud cases were recorded in 2013/14 for the first time. The level of non benefit/council tax fraud decreased (27 cases in 2012/13 to 18 cases during 2013/14) mainly due to fewer cases of potential data breaches investigated. In 2013/14 we had no instances of reportable frauds in other high risk categories identified in the report (social care, insurance, procurement, NNDR). Tenancy fraud is not applicable since the housing stock transfer however we continue to work with ONGO wherever possible to counter fraud e.g. joint publicity campaigns and fraud hotline support.

2.11 The council is in a strong position and arrangements are continually reviewed against best practice and procedures and partnerships are developed to prevent and deter fraud. Some examples include:

- All potential fraud areas have been risk assessed and adequate controls identified. Specific counter fraud activity is included in the audit plan and progress reported regularly to the Audit Committee.
- The Counter Fraud Strategy is reviewed regularly to ensure compliance with best practice and clearly supports the council's zero tolerance to fraud.
- The communication strategy of newsletters, fraud bulletins, screen savers, posters, leaflets and magazine articles have generally raised awareness and general staff responsiveness.
- Every opportunity is taken to use intelligence to prevent fraud through National Anti Fraud Network (NAFN) and CIPFA Better Governance Forum membership and National Fraud Initiative (Data Matching) participation.
- Well established Chief Auditor networking with neighbouring councils shares intelligence on fraud experience. Opportunities to work in partnership have been explored and recent success in securing DCLG Fighting Fraud Funding is reporting in more

detail in the counter fraud report elsewhere on this agenda. Protocols have been established with human resources colleagues and police liaison officers to efficiently investigate and prosecute fraud.

- 2.12 The report included a number of recommendations which are attached in appendix A along with North Lincolnshire's response. A checklist of best practice arrangements that members should look for is also included for information in appendix B.

3. OPTIONS FOR CONSIDERATION

- 3.1 The Committee is asked to consider whether or not the Audit Commission's report and the council's response provide sufficient assurance on the adequacy of counter fraud arrangements during 2014/2015.

4. ANALYSIS OF OPTIONS

- 4.1 Regular counter fraud update reporting complies with best practice and professional guidance available and is designed to provide this Committee with the assurance required. Members should ask sufficient questions to ensure the report provides sufficient assurance to fulfil their role as set out in the Committee's terms of reference.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Costs of the counter fraud publicity are met from the Internal Audit budget and have been incorporated into the 2014/2015 Audit Plan. Minor costs associated with the telephone and publicity for the Hotline will continue to be maintained within the Finance Service budget. Savings should continue to accrue as a result of improved efficiency and the avoidance of loss.
- 5.2 There are no additional staffing implications, as the internal audit section will continue to operate the Hotline from within existing resources. Training requirements identified will be met from the contingency included in the audit plan. Training of staff outside the audit team will be resourced from time set aside in the Audit plan to develop counter fraud arrangements.
- 5.3 Effective counter fraud arrangements demonstrate the council has good arrangements in place to support the Annual Governance Statement and to promote good corporate governance.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 An Integrated Impact Assessment is not required.

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 There has been no consultation as this report presents the key messages contained the Protecting the Public Purse report.

7.2 There are no conflicts of interests to declare.

8. RECOMMENDATIONS

8.1 The Audit Committee should consider whether this report delivers a sufficient level of assurance on the adequacy of counter fraud arrangements.

8.2 The Audit Committee should note:

- i) The response to the report's recommendations set out in appendix A; and
- ii) The assessment against the checklist of best practice arrangements shown in appendix B.

DIRECTOR OF POLICY AND RESOURCES

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Date: 22 December 2014

Background Papers used in the preparation of this report:
Audit Commission Report – Protecting the Public Purse 2014

Progress against Protecting the Public Purse Recommendations

Recommendation	Response
All local government bodies should:	
use our checklist for councilors and others responsible for audit and governance to review their counter-fraud arrangements	An evaluation against the checklist is provided in appendix B (updated)
adopt a corporate approach to fighting fraud, to ensure they fulfil their stewardship role and protect the public purse from fraud	We are always receptive to working in partnership with other agencies and authorities to tackle fraud effectively. The council has a good track record of successful work and prosecutions with the Police and DWP and recently secured funding from DCLG to develop a counter fraud intelligence hub in partnership with ERYC, NELC and HCC.
actively pursue potential frauds identified through their participation in the National Fraud Initiative (NFI)	The council has a good track record of thoroughly investigating all matches appropriately and meeting all submission deadlines.
assess themselves against the framework in CIPFA's new Code of Practice on Managing the Risk of Fraud and Corruption	Assessment is planned
engage fully with the new CIPFA Counter Fraud Centre	As members of CIPFA's Better Governance Forum we proactively use the support offered
Councils in particular should:	
protect and enhance their investigative resources, so that they maintain or improve their capacity to detect fraud	The council will need to retain some investigation staff in order to conduct Council Tax Reduction Scheme investigations amongst others. It is proposed that the

	retained fraud function will be a shared service with North East Lincolnshire Council.
be alert to the risk of organised crime, notably in procurement be alert to the risks of fraud, particularly in growing risk areas such as Right to Buy	Counter fraud work is risk assessed to remain alert to emerging or increasing risk of fraud for inclusion in audit plans where appropriate.
apply the lessons from the approach encouraged by PPP to tackle housing tenancy fraud, to other types of fraud	All relevant advice and guidance is used to assess the risk of fraud and our exposure profile to prioritise proactive counter fraud effectively.
focus on prevention and deterrence as a cost-effective means of reducing fraud losses to protect public resources	Internal audit and the Benefits Fraud Team are active in prevention and deterrence work. For example, new or changes to systems are examined to help design out fraud. Successful investigations and prosecutions are publicised wherever possible to demonstrate the council's determination to stamp out fraud and serve as a deterrent to others.
focus more on recovering losses from fraud, using legislation such as the Proceeds of Crime Act	Recovery of losses is always sought where appropriate
take up the Commission's offer of receiving a fraud briefing to help them benchmark their performance and promote greater transparency and accountability	Elsewhere on this agenda

Fighting Fraud Checklist for Governance

Protecting the public purse 2014

October 2014

i) General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input checked="" type="checkbox"/>	
Previous comment/action -Emphasised more clearly in the counter fraud strategy		
2014 Update – Strategy refreshed at least each year and meets best practice		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	<input checked="" type="checkbox"/>	
Previous comment/action - Strategy, policies and plan were developed and improved over a number of years. Outcomes in terms of number and level of frauds would suggest they are effective. They are measured against best practice as defined by CIPFA. External audit has recognised improvement and has reported good arrangements are in place. (Arrangements have been evaluated against Fighting Fraud Locally)		
2014 Update – We continue to review our arrangements to meet best practice and meet the council's needs		
3. Do we have dedicated counter-fraud staff?	<input checked="" type="checkbox"/>	
Previous comment/action - In addition to the benefits fraud team dedicated audit resources are set aside in the audit plan		
2014 Update – Arrangements remain the same at present but will be influenced through share service work and SFIS implementation		
4. Do counter-fraud staff review all the work of our organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - All activities are identified and risk assessed for audit coverage	√	
2014 Update – As above		
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Previous comment/action – N/A new question		
2014 Update – P&R Cabinet Member has responsibility to oversee delivery of effective financial services within the council in accordance with professional requirements and best practice and the Audit Committee are responsible for overseeing counter fraud arrangements		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Previous comment/action - Counter fraud work and outcomes are regularly reported to the Audit Committee		
2014 Update – Forward plan of reports is agreed each year. In addition the Audit Committee receives regular updates on the counter fraud audit plan		
7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Previous comment/action – N/A new question		
2014 Update – Fraud briefing presentation was received in April 2014		
8. Have we assessed our management of counter-fraud work against good practice?	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Previous comment/action - As members of the Better Governance Forum (CIPFA) and National Anti-Fraud Network arrangements are measured against good practice. The National Fraud Authority (NFA) has also developed an online toolkit to assess the effectiveness of local counter fraud arrangements. The result shows the council to be in the 71st percentile and therefore has effective counter fraud arrangements in place.		

2014 Update – New source of best practice guidance from CIPFA (Code of Practice to Manage the Risk of Fraud and Corruption will be used to evaluate arrangements. We believe that these are already embedded within the counter fraud work undertaken at North Lincolnshire. However, a more detailed self-assessment against the counter fraud guidance will be undertaken to confirm this.		
9. Do we raise awareness of fraud risks with:		
<ul style="list-style-type: none"> • new staff (including agency staff)? • existing staff? • elected members? • our contractors? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Fraud risk is included appropriate corporate training sessions Counter fraud newsletters are regularly published to raise awareness on new and emerging fraud risks.		
2014 Update – As above		
10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - See Q9. Fraud alerts and newsletters are received from these organizations of new and emerging risks. Chief Internal Auditor network also provides some information on fraud risk and investigation outcomes		
2014 Update – As above		
11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - As a member of the National Anti-Fraud Network information exchange helps manage the council's fraud risk and exposure profile		
2014 Update – As above	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Weaknesses are reported immediately to managers – action is required based on the nature of the weakness. Issues are reported to members through quarterly update reports and the IA annual report		
2014 Update – In addition to the above quarterly reports of audit activity and outcomes are presented to Directors.		
13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Regular updates are provided on progress and outcomes reported when investigations are completed.		
2014 Update – We participate fully in the NFI exercise and the opportunity to take part in two pilot data sets covering benefits to students and payments in respect of social care clients was taken in May.		
14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Policy, training and publicity provided for targeted staff		
2014 Update – Policy has been refreshed and training/publicity will be repeated		
15. Do we have effective arrangements for:	<input checked="" type="checkbox"/>	
<ul style="list-style-type: none"> • reporting fraud? • recording fraud? 	<input type="checkbox"/>	<input type="checkbox"/>

Previous comment/action – Records of all potential frauds are maintained along with outcome and action taken and recovery of losses in order to complete the annual fraud survey		
2014 Update – Reporting fraud is encouraged and arrangements are widely publicised. Various methods can be used and anonymity can be preserved if required. Financial regulations require that all frauds or potential frauds must be reported to Internal Audit. Records are maintained not only to monitor the progress and outcome of ongoing investigations but also to assess the impact on the overall system of internal control as well as providing appropriate information in response to national surveys and studies.		
16. Do we have effective whistle-blowing arrangements? In particular are staff:		
<ul style="list-style-type: none"> • aware of our whistle-blowing arrangements? • confident in the confidentiality of those arrangements? • confident that any concerns raised will be addressed? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Arrangement meet best practice; there is a good level of usage and it is well publicised.		
2014 Update – As above plus the Charter was refreshed in January 2013 to reflect the provisions of the Enterprise and Regulatory Reform Act. The National Audit Office (Ireland) produced the good practice guide to Whistleblowing in the public sector in November 2014. The guide contains a useful checklist which was used to confirm our existing arrangements meet best practice. We currently compare favourably and no changes are required to our Whistleblowers Charter we are however going to carry out some refresher training to ensure there is sufficient awareness of the Charter		
17. Do we have effective fidelity insurance arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Yes		
2014 Update – Insurance renewed		
ii) Fighting fraud with reduced resources		
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action – In the Autumn Statement 2013 contained the government announcement of a national roll out of a Single Fraud Investigation Service from October 2014 to investigate welfare fraud across all benefits administered by DWP, HMRC and local authorities Work is ongoing with the Benefit Fraud Team concerning future fraud investigation requirements.		
2014 Update - Fraud exposure profile and risk assessment have been updated. More proactive work is carried out to mitigate the risk; including risk assessed audit reviews, publicizing outcome to deter fraud and raising awareness through training and targeted publicity. The council will need to retain some investigation staff in order to conduct Council Tax Reduction Scheme investigations amongst others. We are also currently looking at potential Single Person Discount offences to establish if that is an area that the team can target. It is proposed that the retained fraud function will be a shared service with North East Lincolnshire Council.		
19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action – N/A new question		
2014 Update - In November DCLG announced extra counter fraud funding for a range of council-led projects. The department is providing a further £16 million to councils who are raising their game through a range of innovative projects across the country to tackle fraud. Our successful bid (£129k) came through a partnership with ERYC, NELC and Hull CC to fund a fraud intelligence hub.		
20. If successful, are we using the money effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Previous comment/action – N/A new question		
2014 Update – Implementation will take place next year and progress will be reported to the Audit Committee		
iii) Current risks and issues		
Housing tenancy		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - A recent audit provided adequate assurance that appropriate arrangements were in place.		
2014 Update – We also provide fraud hotline facility for ONGO and share appropriate information		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Data matching would highlight some anomalies however consideration of further checks is to be discussed with NLH (ONGO).		
2014 Update – As above		
Procurement		
23. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Procurement controls are tested through various Internal Audit reviews each year. The procurement manual has been strengthened including authorization controls. This includes better controls through the mandatory use of YorTender (electronic tendering software) for all contracts above £10k Expert guidance and training is provided by the procurement team Analytical review of off contract spend is monitored and challenged with Service Directors		
2014 Update - As above		
24. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Contract procedures rules and the procurement manual have been reviewed and strengthened		
2014 Update – A rolling programme of commissioning and procurement cases are included in the audit plan each year		
Recruitment		
25. Are we satisfied our recruitment procedures that:		
<ul style="list-style-type: none"> • prevent us employing people working under false identities? • confirm employment references effectively? • ensure applicants are eligible to work in the UK? • require agencies supplying us with staff to undertake the checks that we require? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Established procedures and training are in place. Internal Audit review procedures as part of the audit plan (the current audit includes compliance against NFA CIFAS recommended best practice guidance 'Slipping through the net') NFI (data matching) results have highlighted no cases of employees ineligible to work in the UK Established agency staff framework agreements include responsibility for carrying out essential checks on candidates		
2014 Update – As above		
Personal budgets		
26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Previous comment/action - Internal Audit has worked with service managers during the year to develop arrangements in line with best practice and ensured that important controls are in place such as reconciliation of payments. Counter fraud arrangements in personal budgets and direct payments have been audited and a referral process has been established.		
2014 Update – work is ongoing with social care colleagues to evaluate arrangements in place		
27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - A general publicity campaign to raise awareness on whistleblowing arrangements has taken place and further work is ongoing specifically dealing with personal budgets. However targeted publicity is also being considered.		
2014 Update – whistle-blowing options are publicised throughout the council however targeted publicity is still being considered?(see Debbie)		
Council tax discount		
28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - Experian/ NFI (data matching) exercises are regularly carried out to highlight apparent anomalies which suggest discounts are being inappropriately claimed for further investigation The Whistle-Blowers' hotline is well publicised. All calls received processed for investigation.		
2014 Update – Council tax reduction frauds were reported for the first time in 2013/14		
Housing benefit		
29. When we tackle housing benefit fraud do we make full use of:		
<ul style="list-style-type: none"> • The National Fraud Initiative? • The Department for Work and Pensions Housing Benefit matching service? • internal data matching? • private sector data matching? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - The Benefits Fraud Team has a strong track record in tackling fraud and uses all available data matching opportunities.		
2014 Update – As above		
iv) Other fraud risks		
30. Do we have appropriate and proportionate defences against the following fraud risks:		
<ul style="list-style-type: none"> • business rates? • Right to Buy? • council tax reduction? • schools? • grants? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous comment/action - New areas such as Local Council Tax Support and Welfare Assistance were included for review in the 2012/13 plan. There are well established arrangements to counter fraud in schools including; regular audits; data matching; awareness campaigns; specific investigations and recommendations to adopt council counter fraud policies. Consultation on further opportunities including risks emerging from conversion to academy will be pursued through the schools forum.		
2014 Update – (To Discuss with Groups)		

Source: Audit Commission (2014)

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SW1P 4DF

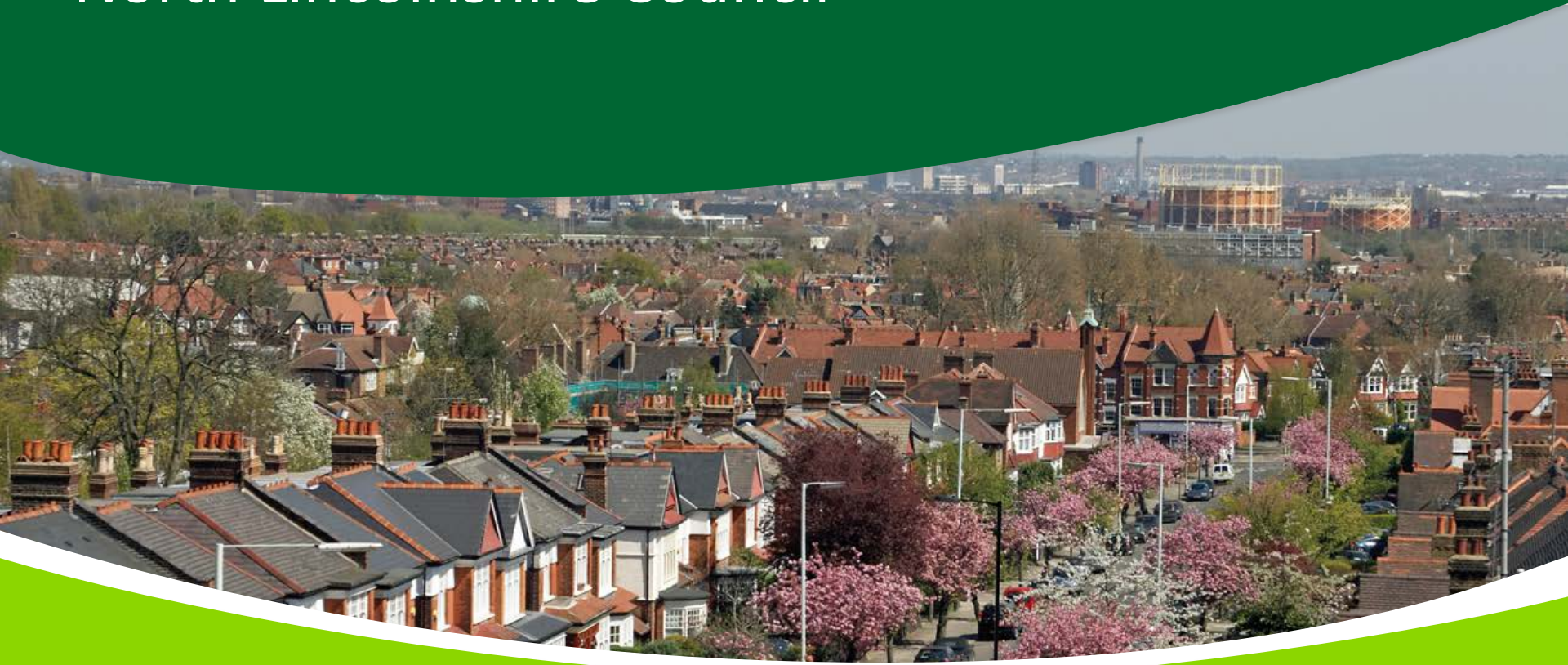
Switchboard: 0303 444 8300



Protecting the Public Purse

Fraud Briefing 2014

North Lincolnshire Council



Purpose of Fraud Briefing



Provide an information source to support councillors in considering their council's fraud detection activities



Extend an opportunity for councillors to consider fraud detection performance, compared to similar local authorities



Give focus to discussing local and national fraud risks, reflect on local priorities and the proportionate responses needed



Be a catalyst for reviewing the council's current strategy, resources and capability for tackling fraud

Understanding the bar charts

Outcomes for the first measure for your council are highlighted in yellow in the bar charts. The results of your comparator authorities are shown in the green bars.



Outcomes for the second measure for your council are highlighted as a green symbols above each bar. The results of your comparator authorities are shown in the white triangles.



A '*' symbol has been used on the horizontal axis to indicate your council.

All data are drawn from council submissions on the Audit Commission's annual fraud and corruption survey for the financial year 2013/14.

In some cases, council report they have detected fraud and do not report the number of cases and/or the value. For the purposes of this fraud briefing these 'Not Recorded' records are shown as Nil.

Interpreting fraud detection results



Contextual and comparative information needed to interpret results



Detected fraud is indicative, not definitive, of counter fraud performance (*Prevention and deterrence should not be overlooked*)



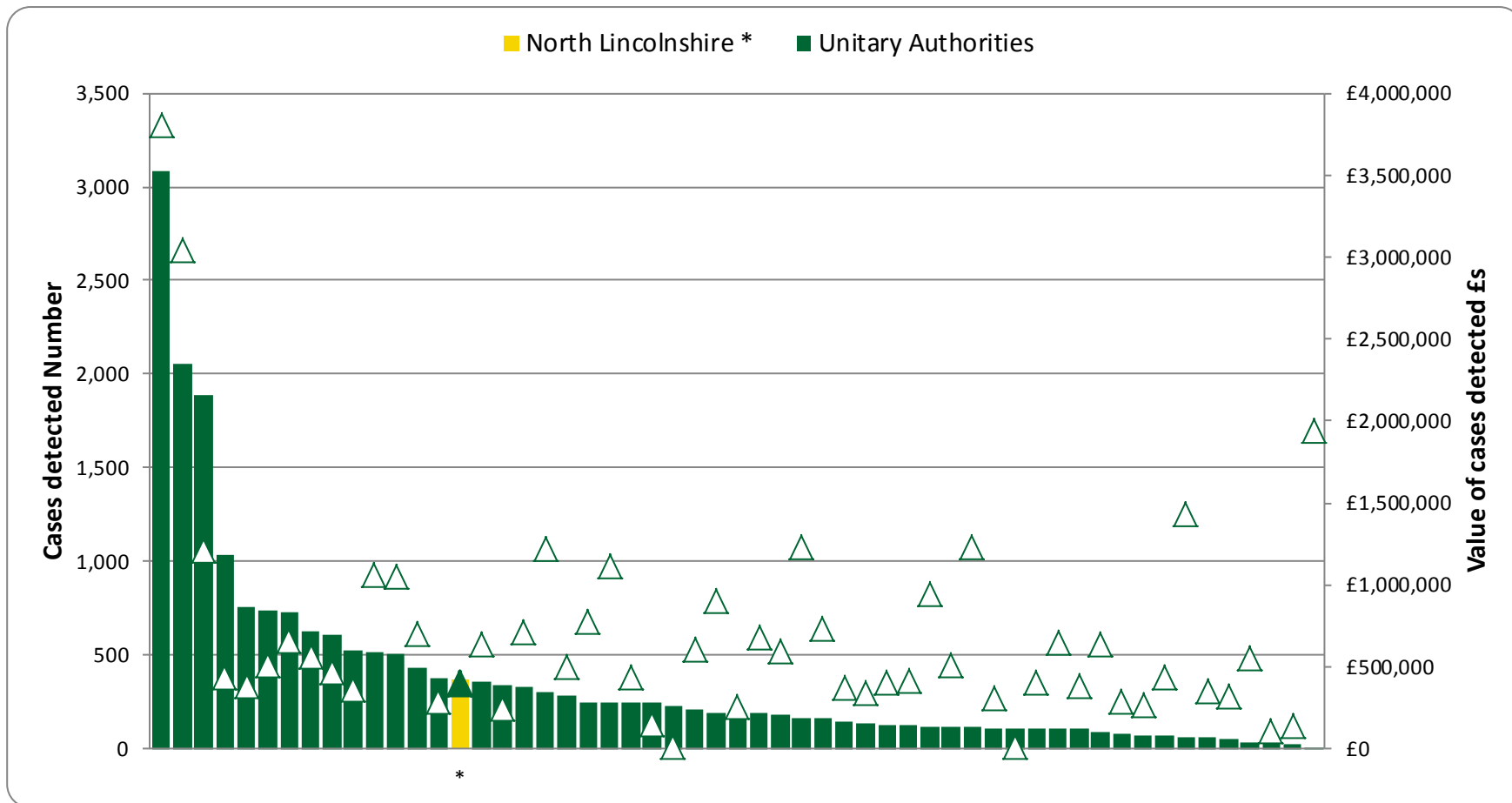
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



Councils who look for fraud, and look in the right way, will find fraud (*There is no such thing as a small fraud, just a fraud that has been detected early*)

Total detected cases and value 2013/14 (Excludes Housing tenancy fraud)

North Lincolnshire



North Lincolnshire detected 368 cases #. The value of detected fraud was £393,277 #.

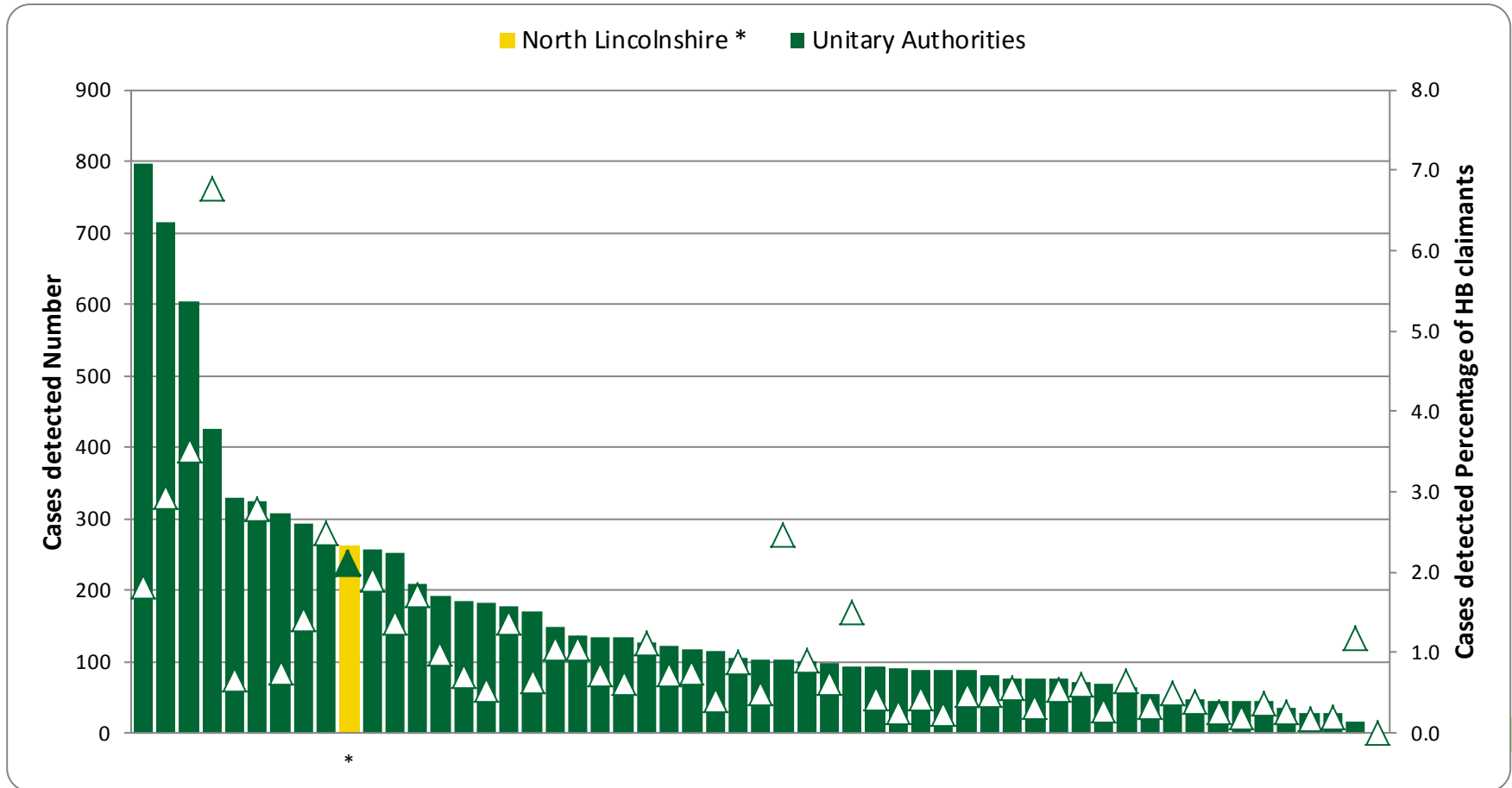
Average for other Unitary Authorities: 369 cases, valued at £699,516



Housing Benefit (HB) and Council Tax Benefit (CTB) 2013/14

Total detected cases, and as a proportion of housing benefit caseload

North Lincolnshire



North Lincolnshire detected 261 cases of this type of fraud. The value of detected fraud was £367,154.

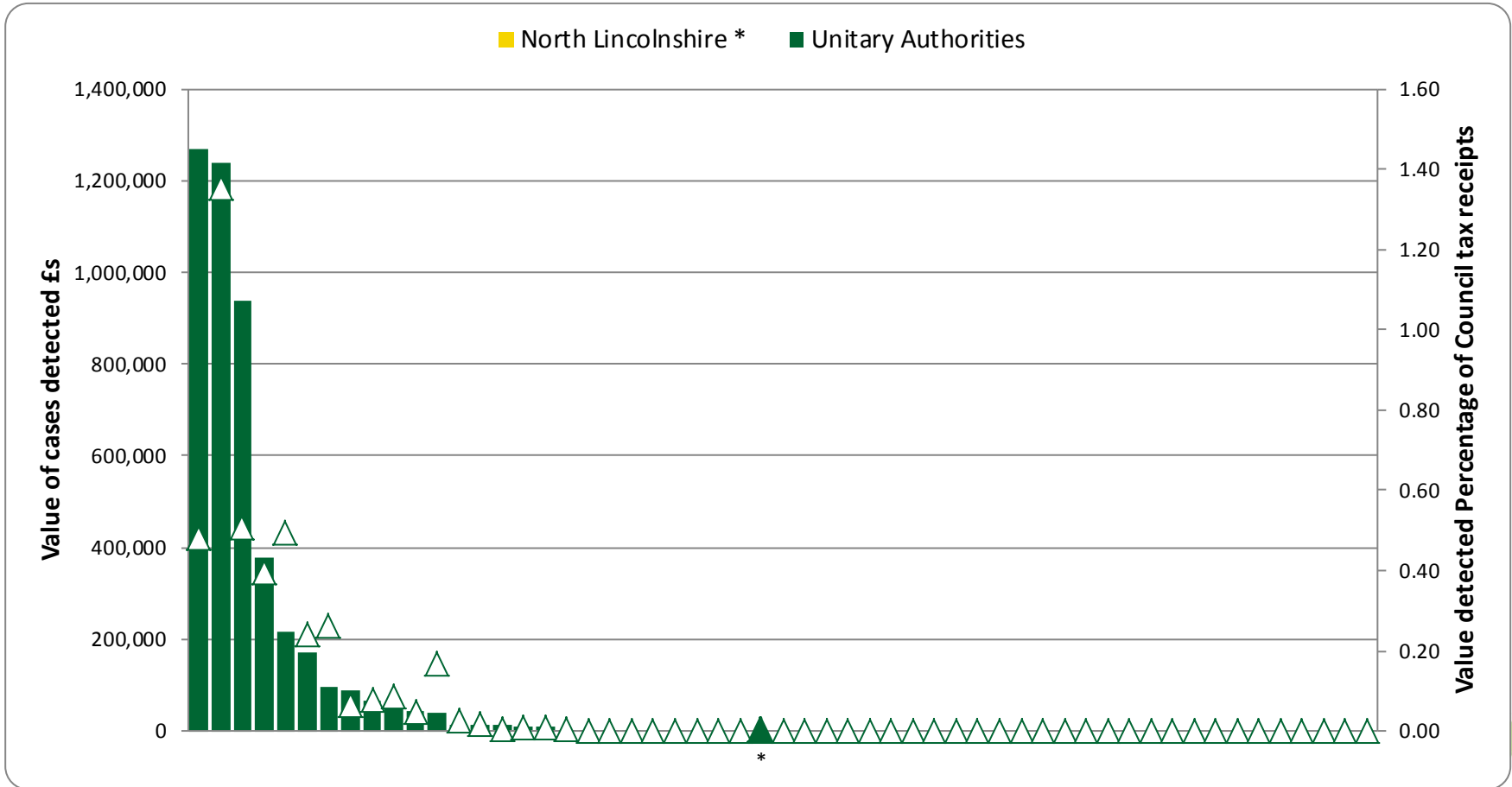
Average for other Unitary Authorities: 161 cases, valued at £548,454



Council tax discount fraud 2013/14

Total detected value, and value as a proportion of council tax income

North Lincolnshire



North Lincolnshire detected 0 cases #.

Average for other Unitary Authorities: 173 cases, valued at £86,424



Councils without housing stock 2013/14

Housing tenancy fraud

4 per cent of social housing stock in London and 2 per cent outside London is subject to tenancy fraud

Second largest fraud loss to local government, £845 million

Combined with housing associations the total loss in England, £1.8 billion

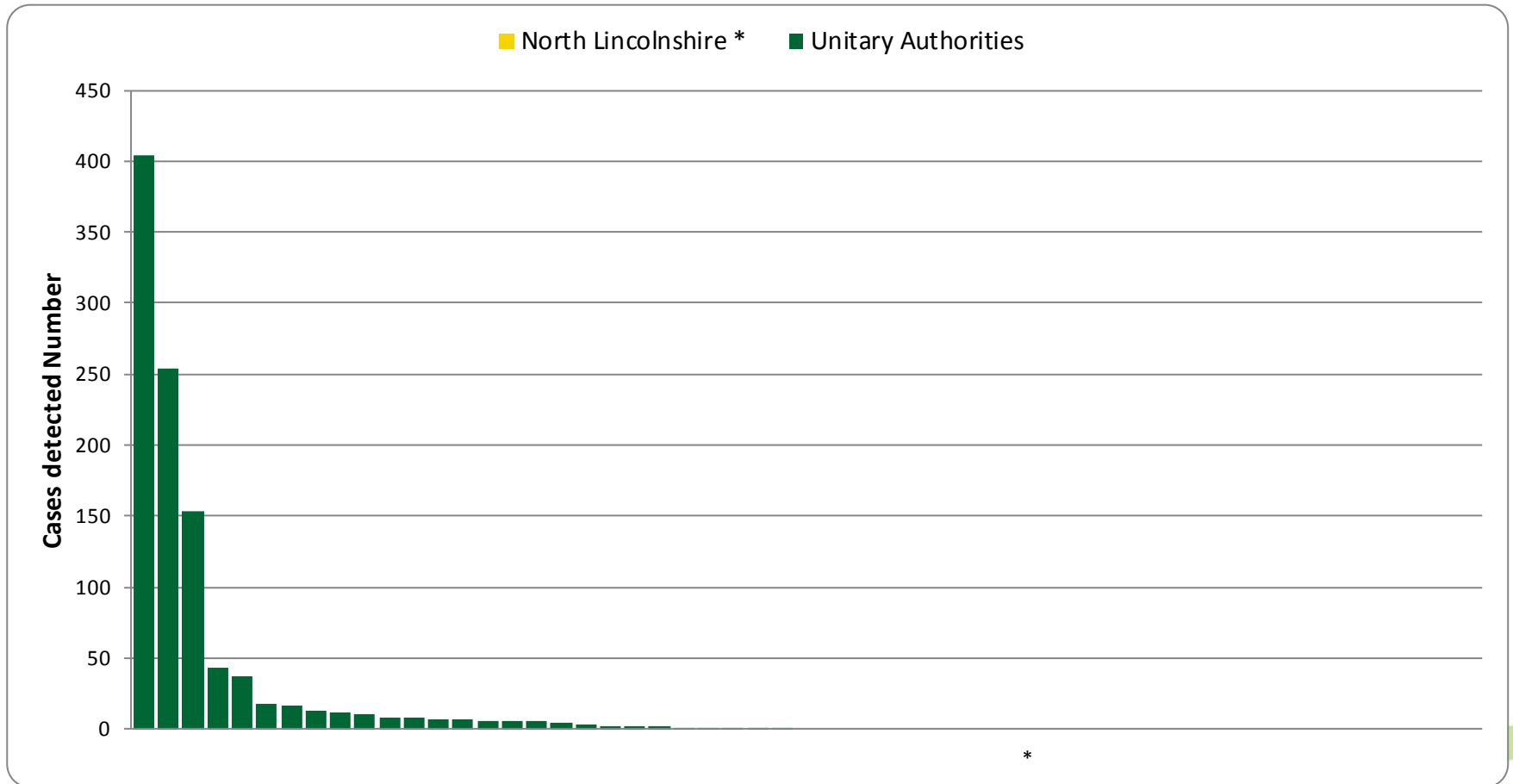
The Prevention of Social Housing Fraud Act 2013: criminalises tenancy fraud

Councils have powers to investigate and prosecute tenancy fraudsters on behalf of housing associations

Should you be using this legislation and powers to work in partnership with local housing associations?

Disabled parking (Blue Badge) fraud 2013/14

North Lincolnshire



North Lincolnshire did not detect any cases of this type of fraud.
Average for other Unitary Authorities: 19 cases

Other frauds 2013/14

North Lincolnshire

Procurement: North Lincolnshire did not detect any cases of this type of fraud.
Total for other Unitary Authorities: 25 cases, valued at £832,190

Insurance: North Lincolnshire did not detect any cases of this type of fraud.
Total for other Unitary Authorities: 34 cases, valued at £988,636

Social care: North Lincolnshire did not detect any cases of this type of fraud.
Total for other Unitary Authorities: 47 cases, valued at £731,379

Internal: North Lincolnshire detected 7 cases of this type of fraud. The value of detected fraud was £6,103.
Total for other Unitary Authorities: 313 cases, valued at £1,024,395

*Correctly recording fraud levels is a central element in assessing fraud risk.
It is best practice to record the financial value of each detected case*

Questions elected members and decision makers may wish to ask

Post SFIS

Local priorities

Partnerships

Using information and data

Are our remaining counter-fraud resources and skill sets adequate after our benefit fraud investigators have left to join SFIS?

Are local priorities reflected in our approach to countering fraud?

Have we considered counter-fraud partnership working?

Are we satisfied that we will have access to comparative information and data to inform our counter-fraud decision making in the future?

Any questions?

