

Project Update for August/September Audit Committees

1. Cotswold District Council, West Oxfordshire District Council and Cheltenham Borough Council

The Counter Fraud CIPFA surveys have been completed and submitted on behalf of all Authorities. All members of the Counter Fraud Unit are now affiliate members of the Institute.

The team are currently in the process of completing a survey for TEICCAF (The European Institute for Combatting Corruption and Fraud) on behalf of the three Authorities.

Fraud awareness training is being offered to Members. A session is arranged for West Oxfordshire District Council on 7 September 2016; dates are to be confirmed with Cotswold and Cheltenham Democratic Services Teams.

The external case of attempted fraud against Cotswold District Council has been closed. Officers were unable to trace the alleged offender and to continue to do so would not be in the public interest due to the associated cost versus loss.

Two internal referrals were received in relation to West Oxfordshire District Council employees. One has been closed with a report to Senior Management, the CFU were unable to pursue the matter as the case had been compromised. One investigation relating to an ex-employee's breach of Data Protection is on-going.

One internal referral has been received for Cheltenham Borough Council which has been completed and a report issued to Human Resources. A related referral has subsequently been made to Tewkesbury Borough Council for further investigation. The CFU are undertaking an investigation for Cheltenham Borough Council with regard to alleged money laundering/debit card fraud.

Pilot work is to be commenced at Cotswold District Council with regard to the application of the Proceeds of Crime Act in relation to prosecutions taken by the Authority.

2. Cheltenham Borough Council – Operational Work

The Counter Fraud Officers currently undertake the single point of contact role and act as the Department of Work and Pensions liaison following the transfer of Benefit Fraud investigation to the Single Fraud Investigation Service, Department for Work and Pensions. The team also investigate any allegations related to Council Tax Reduction Scheme offences on behalf of the Revenues and Benefits Department.

From 1 June 2016 – 31 July 2016

- 16 fraud referrals received
- 7 referred on to the single fraud investigation service for investigation
- 9 cases opened within the team

Investigation cases involving Council Tax Reduction Scheme dealt with by the team:-

- 8 cases open and under investigation
- Overpayments identified in period = £2232
- 1 prosecution pending – trial re-listed for 3rd April 2017

- 1 Administrative penalty administered and 1 pending
- 1 case open and working co-operatively with National Health Service Student Bursary Fraud Team
- 1 case looking at CTRS and DHP payments made by Cheltenham and Cotswold Councils.

Service of Court documents on behalf of Housing Benefit debt recovery:-

- Customer debt of over £850 paid following service of documents

3. Cheltenham Borough Homes – Operational Work

Tenancy Fraud work continues and Cheltenham Borough Homes.3

From 1 June 2016 to 31 July 2016:-

- 1 Right to buy investigation ongoing
- 6 investigations open and ongoing relating to subletting/abandonment
- 1 investigation ongoing in relation to application fraud
- 8 Right to buy applications verified
- 1 successful eviction
- 1 illegal succession prevented

Quarterly meeting planned for September to discuss proactive fraud drive during quarter three.

4. Tewkesbury Borough Council – Operational Work

The review of the Housing Applications list for Tewkesbury has been completed; full results are pending from the Housing Options team. To date the figures are as follows:-

- Emergency Banding: - 3 applications cancelled.
- Gold Banding: - 3 applications cancelled and 3 applications downgraded.
- Silver Banding: - 29 applications cancelled and 3 applications downgraded

Each cancelled application represents a property which can be reallocated to another eligible family. For each reallocation, a figure of £18,000 per annum can be identified as a loss avoidance figure because there is no need for temporary accommodation to be utilised. (£18,000 is the Audit Commission figure for the average annual cost to a Local Authority when housing a family in temporary accommodation). In the Tewkesbury Borough this rate would be considerably lower, below £10,000 per year. However, this still equates to loss avoidance figures in excess of £350,000. In addition the result of the band reprioritisation is that those families who are correctly banded have a greater chance of being housed and more speedily.

Tewkesbury issued review forms to households receiving a Single Occupier Discount, and the Unit assisted with the verification of some of the responses.

As at 14 July 2016 - 53 Council Tax accounts had been adjusted to remove the discount. This has resulted in underpayments (for the period up to 31 March 2016) of £4,776 and has increased billing by £17,387 for 2017/2018.

The Unit are now assisting in a review of a National Fraud Initiative data match of Single Occupier Discounts against Electoral Registration.

In addition, the Unit has been asked to conduct a drive in relation to Business Rates, to maximise revenue in this area, and to assist the Environmental and Housing Services team with the investigation and prosecution of fly-tipping offenders. Planning in respect of these work streams is underway.

5. Gloucestershire County Council – Operational Work

The Secondment Agreements (S113 Local Government Act 1972) have now been agreed and signed by the County Council. Planning with regard to a proactive fraud drive in relation to adult social care provision is underway.

Stroud District Council and Gloucester City Council

The shared service arrangements in relation to Internal Audit services have now commenced with Gloucestershire County Council.

An engagement meeting with Gloucester City Council has been conducted and two suggested feasibility work streams are under consideration.

An engagement meeting is to be held with Stroud District Council during August 2016.

6. Forest of Dean District Council

Engagement meetings have been conducted with the Head of Paid Services and Internal Audit. Feasibility work streams, which could be undertaken by the CFU, to be sent for consideration.

7. Ubico – Operational Work

Engagement meeting conducted with the Commercial Director. Agreement received for the provision of counter fraud services; contract to be drafted for consideration.

Meeting to then be held to plan work streams in relation to corporate strategy, policy review and proactive work.

8. Housing Associations / Registered Social Landlord's

Draft Goods and Services Contract developed for engagement with Registered Social Landlords for the provision of Tenancy Fraud work. This work stream is on hold pending business case consideration. Agreement received from Cheltenham Borough Homes to support and endorse this based on results and work undertaken by the team.

9. Training

Criminal Procedure and Investigations Act; refresher and updates being planned and rolled out across the County for all Enforcement, Legal and Audit members of staff.

Regulation of Investigatory Powers Act; refresher and updates being planned and rolled out across the County for all Enforcement, Legal and Audit members of staff.

10. Data Warehouse / Case Management System

The tender documentation has been drafted by the CFU. A meeting has been booked with an ICT representative on 1 September 2016 to review content prior to the procurement process.

11. Policies

Counter Fraud and Anti-Corruption Policy has been issued to Tewkesbury Borough Council for consideration.

A Regulation of Investigatory Powers Act (Communications) Policy has received the appropriate legal approval. Audit Committee approval received at Cheltenham BC, Cabinet approval pending. Policy is to be presented to Corporate Management Team (Cotswold DC and West Oxfordshire DC). Audit Committee and Cabinet approval will follow. The Policy has also been sent to Tewkesbury BC for consideration.

Whistle-Blowing Policy has been drafted, received HR approval and is pending appropriate legal approvals. The Policy is to be the responsibility of HR and will therefore be presented to Joint Consultative Committee in due course. CFU to present the Policy to Audit Committees within the partnership first.

12. Procedures

The investigation referral procedure needs to be worked on and adopted accordingly across the county and the partners.

Lone Working devices ordered for use by the Counter Fraud Investigation Officers.

13. Other work streams

Work has also been planned in relation to a generic document pack for Gloucestershire for criminal investigation to include all the relevant investigation, interview under caution and prosecution processes.

A new referral inbox for county use; this will be advertised as we update the relevant intranet / internet pages to be used by staff, members or the general public. Counter Fraud Unit website now under design.

Paperwork received in relation to signing the memorandum of understanding with HM Revenue and Customs – liaison with all enforcement teams pending.

A work stream to engage the Police and enter into an appropriate joint working mechanism is to be commenced.