

Project Update for August/September 2016 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 (CFU) are now affiliate members of the Institute.

The team is 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 team members. A session is arranged for West Oxfordshire District Council on 7th 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 was 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 has been issued to Human Resources. A related referral has subsequently been made to Tewkesbury Borough Council for further investigation. The CFU is 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 CFU currently undertakes the single point of contact role and acts as the Department of Work and Pensions' (DWP) liaison following the transfer of Benefit Fraud investigation to the Single Fraud Investigation Service, Department for Work and Pensions. The team also investigates any allegations related to Council Tax Reduction Scheme offences on behalf of the Revenues and Benefits Department.

From 1st June 2016 to 31st July 2016:-

- 16 fraud referrals have been received;
- 7 have been referred on to the Single Fraud Investigation Service for investigation;
- 9 cases have been opened within the team,

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

- 8 cases have been opened and are under investigation;
- overpayments in a sum of £2,232 were identified in period;
- a prosecution is pending - trial has been re-listed for 3rd April 2017;
- an administrative penalty has been administered and 1 is pending

- 1 case has been opened and Officers are working co-operatively with the National Health Service Student Bursary Fraud Team;
- 1 case involves looking at CTRS and DHP payments made by Cheltenham and Cotswold Councils.

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

- a customer debt of over £850 has been paid following service of documents.

3. Cheltenham Borough Homes - Operational Work

Tenancy Fraud work continues and Cheltenham Borough Homes.

From 1st June 2016 to 31st July 2016:-

- 1 Right to Buy investigation is on-going;
- 6 investigations are open and on-going, relating to subletting/abandonment;
- 1 investigation is on-going in relation to application fraud;
- 8 Right to Buy applications have been verified;
- there has been 1 successful eviction;
- a case of illegal succession has been prevented

A quarterly meeting is planned for September 2016 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 downgraded;
- Silver Banding: - 29 applications cancelled and 3 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 Borough Council issued review forms to households receiving a Single Occupier Discount, and the Unit assisted with the verification of some of the responses.

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

The Unit is 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 (Section 113 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.

6. 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.

7. 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, are to be sent for consideration.

8. Ubico Ltd. - Operational Work

An engagement meeting has been held with the Commercial Director, and agreement received for the provision of counter fraud services; a contract is to be drafted for consideration.

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

9. Housing Associations/Registered Social Landlords

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.

10. Training

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

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

11. Data Warehouse/Case Management System

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

12. Policies

The draft 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 appropriate legal approval. Audit Committee approval has been received at Cheltenham Borough Council and Cabinet approval is pending. The Policy is to be presented to the joint Corporate Management Team at Cotswold and West Oxfordshire District Councils, following which the Policy will be submitted to the relevant Audit Committees and Cabinets for consideration of approval. The Policy has also been submitted to Tewkesbury BC for consideration.

An amended 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 the Joint Consultative Committee in due course. The CFU will present the Policy to Audit Committees within the partnership in the first instance.

13. Procedures

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

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

14. 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 has been set up for County use; this will be advertised as we update the relevant intranet/internet pages to be used by staff, Members and/or the general public. The CFU Website is now under design.

Paperwork has been received in relation to the signing of the Memorandum of Understanding with HM Revenue and Customs - liaison with all enforcement teams is pending.

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

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