



COTSWOLD
DISTRICT COUNCIL

Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 30 NOVEMBER 2023
Subject	COUNTER FRAUD AND ENFORCEMENT UNIT UPDATE REPORT
Wards affected	All indirectly.
Accountable member	Cllr Mike Every, Deputy Leader and Cabinet Member for Finance Email: Mike.Every@cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and Chief Finance Officer Email: David.Stanley@cotswold.gov.uk
Report author	Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit Email: Emma.Cathcart@cotswold.gov.uk
Summary/Purpose	To provide the Committee with assurance over the counter fraud activities of the Council. Direct updates will continue to be provided twice a year. Work plans are presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area.
Annexes	Annex A – Work Plan 2023/2024
Recommendation(s)	That the Committee considers the report and work plan at Annex A.
Corporate priorities	<ul style="list-style-type: none">• Deliver the highest standard of service.
Key Decision	No
Exempt	No
Consultees/ Consultation	Work plans are agreed and reviewed regularly with the Deputy Chief Executive. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by Legal Services and have been issued to the Governance Group and Corporate Management for comment.



1. EXECUTIVE SUMMARY

- 1.1 The Audit and Governance Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
- 1.2 Work plans have been agreed with the Deputy Chief Executive and the Council's Management. The Audit Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.3 Attached at Annex A is a copy of the work plan for 2023/24.

2. BACKGROUND

- 2.1 In administering its responsibilities, the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.
- 2.2 The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.

3. MAIN POINTS

- 3.1 The Head of Service for the CFEU is part of the core Multi-Agency Approach to Fraud (MAAF) group. The core group consists of attendees from Gloucestershire Constabulary Economic Crime Team, Trading Standards, Victim Support, NHS and colleagues from Gloucester City and County Councils. The MAAF has been set up to discuss fraud trends, victim care and communication of fraud scams across Gloucestershire. Through collaborative working the main purpose is to raise awareness to minimise and disrupt fraud.
- 3.2 The CFEU will be working with MAAF colleagues within Trading Standards and the Police to establish an effective joint communication strategy to provide relevant information to members of the public relating to seasonal scams and ways to avoid them. An awareness session relating to the work of the group and fraud scams was provided to staff and a session was provided to Members.
- 3.3 In relation to the Business Grant Schemes, as previously reported, the focus now relates to debt; recovery, reconciliation and transfer to the Department for Business and Trade (DBT). Updated figures confirm that recoverable invoices totalling £1,086,176 were raised; £507,599 has been recovered and returned to DBT. £494,297 has not been repaid and liability for the recovery of this has been transferred to DBT. To provide some context, Cotswold District Council paid out approximately £75,500,000 in business grants between April 2020 and March 2022.



- 3.4** All Local Authorities participate in the Cabinet Office's National Fraud Initiative, which is a data matching exercise to help prevent and detect fraud nationwide. The use of data by the Cabinet Office and its comparisons across national data sets is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under Data Protection Legislation.
- As reported in April, the team had reviewed the 1322 Council Tax Single Person Discount matches relating to the 2020/21 and 2021/22 data sets. 303 enquiry letters were issued to residents, which resulted in 103 accounts being referred to the Revenues Team. 77 Council Tax accounts were amended resulting in £49,675 increased Council Tax revenue. 53 Civil Penalties totalling £3,710 were also applied.
 - In relation to the 2022/23 data sets, the team have received 909 matches and have commenced the review.
 - 212 matches relating to Council Tax Reduction Scheme, Housing Benefit and housing applications have been reviewed. 43 remain outstanding.
 - 16 matches relating to internal data anomalies. These have all been reviewed, resulting in 3 conflict of declaration matters being referred to the Business Manager Business Continuity, Governance and Risk and 1 disciplinary investigation. One matter remains open pending further information.
 - The 638 outstanding matches relating to Council Tax single person discount anomalies will be reviewed imminently.
- 3.5** In addition to the work carried out under the annual work plan attached at Annex A, as a dedicated investigatory support service, the CFEU undertakes a wide range of enforcement and investigation work according to the requirements of each Council. This includes criminal investigation and prosecution support for enforcement teams, investigations into staff/member fraud and corruption, or tenancy and housing fraud investigation work.
- 3.6** During Quarters 1 and 2 of 2023/24:
- The team received 31 referrals from across the Council and closed 34 cases. This excludes any Council Tax Reduction Scheme referrals.
 - The CFEU supports Enforcement Teams across the Council. Work undertaken with the Revenues Team resulted in the removal of incorrect Council Tax discounts, generating £6,645 in Council Tax revenue.
 - The CFEU undertakes the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and acts as the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. 10 referrals were received and 9 cases were closed. Increased Council Tax revenue of £2,951 has been raised.



- The Investigation and Enforcement Manager undertook a piece of work for the Monitoring Officer and reported her recommendations for consideration.

3.7 During Quarters 1 and 2 of 2023/24, the team received 2 referrals relating to disciplinary matters. 1 member of staff was dismissed due to gross misconduct.

4. ALTERNATIVE OPTIONS

4.1 The Council is the lead authority for the Gloucestershire Counter Fraud and Enforcement Unit. This Unit is working with all of the Gloucestershire Local Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations.

4.2 The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money however there are other counter fraud provision options which could be considered if the Council wished to explore alternative arrangements.

5. FINANCIAL IMPLICATIONS

5.1 There are no financial implications arising directly from this report. The Council has a duty to prevent fraud and corruption with Section 3 of the report providing members with an update on the work of CFEU and the increased revenue and penalties applied following casework and successful investigations.

6. LEGAL IMPLICATIONS

6.1 In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

7. RISK ASSESSMENT

7.1 The Council is required proactively to tackle fraudulent activity in relation to the abuse of public funds. The CFEU provides assurance in this area.

7.2 Failure to undertake such activity would accordingly not be compliant and expose the Authority to greater risk of fraud and/or corruption.

7.3 If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

8. EQUALITIES IMPACT

8.1. The CFEU seeks to ensure that public authorities' actions are consistent with the Human Rights Act 1998 (HRA). It balances safeguarding the rights of the individual against the needs of society as a whole to be protected from crime and other public safety risks.



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8.2. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

9. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

9.1 Not applicable.

10. BACKGROUND PAPERS

10.1 None.

(END)