

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	19 July 2017
Subject:	Counter Fraud Unit Report and Work Plan 2017/18
Report of:	Simon Dix, Head of Finance and Asset Management
Corporate Lead:	Rob Weaver, Deputy Chief Executive
Lead Member:	Cllr R Furolo, Lead Member for Finance and Asset Management
Number of Appendices:	2

Executive Summary:

The purpose of the report is to provide Audit Committee with assurance over the counter fraud activities of the Council.

Council approved the Authority's participation in the establishment of a permanent Counter Fraud Unit on 24 January 2017. Following subsequent decisions at other partner Councils, the Counter Fraud Unit is a permanent support service from 1 April 2017 serving the partner Councils across the region, including Tewkesbury Borough Council.

Work plans for 2017/18 have been agreed with the Chief Finance Officer and Senior Management and a copy is attached for consideration by the Committee.

The Counter Fraud Unit will continue to provide Audit Committee with direct updates biannually; for Tewkesbury Borough Council this will be at the July and December meetings.

This report also presents Audit Committee with a draft Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy as part of the consultation process.

Recommendations:

- 1. To CONSIDER the Work Plan 2017/18 and comment as necessary.**
- 2. To CONSIDER the Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy to comment thereon to the Executive Committee, to aid its deliberations and decision making.**

Reasons for Recommendation:

Work plans for 2017/18 have been agreed with the Chief Finance Officers and Corporate Leadership / Management Teams. Work is now underway. The Audit Committee is asked to consider and comment on the work plan as the body charged with governance in this area.

To update, refresh and collate the existing Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policies on behalf of the Revenues and Benefits Teams. The policy will assist with decision making in the application of appropriate sanctions and provide a uniform basis for action across the County.

Resource Implications:

None directly arising from the report
<p>Legal Implications:</p> <p>As detailed within the Policy.</p> <p>The Council also needs to ensure the Council's Constitution is followed in relation to Financial Rules and Decision Making.</p> <p>Risk Assessments should be undertaken as appropriate.</p>
<p>Risk Management Implications:</p> <p>If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.</p> <p>The Council requires a Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy to ensure legislative powers and regulations are applied fairly and in accordance with the law.</p>
<p>Performance Management Follow-up:</p> <p>The Counter Fraud Unit will continue to deliver the workplan working closely with Senior Management and reporting to the Chief Finance Officer.</p> <p>The Counter Fraud Unit will assist the Revenues and Benefits Department in the procedural application of the policy where necessary.</p>
<p>Environmental Implications:</p> <p>Not applicable.</p>

1.0 INTRODUCTION AND BACKGROUND

1.1 Following the successful DCLG bid to fund the set-up of a Gloucestershire wide Counter Fraud Unit, the team has been undertaking feasibility work (both strategic and operational) on behalf of a number of Gloucestershire Authorities, West Oxfordshire District Council and Cheltenham Borough Homes.

1.2 A business case was presented across the partner authorities to reflect the financial sustainability of creating a permanent Counter Fraud Unit. Council approved the Authority's participation in the establishment of a permanent Counter Fraud Unit on 24 January 2017. Following subsequent decisions at other partner Councils, the Counter Fraud Unit is now a permanent support service from 1 April 2017 serving the partner Councils across the region including Tewkesbury Borough Council.

2.0 COUNTER FRAUD UNIT REPORT AND WORK PLAN 2017/18

2.1 The work plan for 2017/18 has been agreed. The team will be concentrating on adding value in areas associated with risk. A full work plan is being provided to Audit Committee and a review and update report will be presented at future meetings.

2.2 The Counter Fraud Unit will continue to provide Audit Committee with direct updates biannually, for Tewkesbury Borough Council this will be at the July and December meetings. The Audit Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to such activity

3.0 COUNCIL TAX, HOUSING BENEFIT, COUNCIL TAX SUPPORT PENALTY AND PROSECUTION POLICY

3.1 The Counter Fraud Unit is undertaking a review of a number of policies and procedures, in support of each service area, to enable criminal investigations to be legally undertaken and appropriate sanctions to be applied. This Policy has been requested for use within the Revenues and Benefits Teams.

3.2 The recommended Policy has been drafted for all participants in the Counter Fraud Unit and will provide consistency to the application of penalties and prosecution across the County. The proposed policy effectively consolidates and extends a number of existing penalty and prosecution policies, the last of which was reviewed in September 2015. Many of the thresholds and penalties remain at the same levels as previously approved.

3.3 It should be noted that legislation outlines that to incur a Civil Penalty for a Housing Benefit overpayment, the value needs to exceed £250; however the draft Policy attached details that, for decisions at Tewkesbury Borough Council, this figure will be £1,000.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 Work plans for 2017/18 have been agreed with the Chief Finance Officer and Senior Management and a copy is attached for consideration by the Committee.

5.2 The Council Tax, Housing Benefit, Council Tax Support Penalty and Prosecution Policy was drafted on behalf of a number of Gloucestershire Authorities and Heads of Service, Corporate Leadership / Management Teams and the Legal Department have been consulted

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Counter Fraud and Anti-Corruption Policy.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1. This is a positive example of joint working across the County. The existence of counter fraud activity acts as a deterrent to the abuse of public funds which impacts positively on the economy and local demographic.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 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.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 Counter Fraud and Anti-Corruption Policy approved at Executive Committee in October 2016.

Background Papers: Report to Council 24 January 2017; Counter Fraud Unit Business Case.

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Appendices: Appendix A – Work Plan 2017/18
Appendix B – Draft Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy