

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	13 December 2017
<b>Subject:</b>	Counter Fraud Unit Report
<b>Report of:</b>	Simon Dix, Head of Finance and Asset Management
<b>Corporate Lead:</b>	Rob Weaver, Deputy Chief Executive
<b>Lead Member:</b>	Cllr Dave Waters, Leader of the Council
<b>Number of Appendices:</b>	None

## **Executive Summary:**

The purpose of the report is to provide assurance over the counter fraud activities of the Council. In addition, the report provides the Audit Committee with an update in relation to the work plan for 2017/18.

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.

## **Recommendation:**

**To CONSIDER the six monthly update from the Counter Fraud Unit and comment as necessary.**

## **Reasons for Recommendation:**

Work plans for 2017/2018 have been agreed with the Chief Finance Officer and Corporate Leadership/Management Teams and work is now underway.

The Audit Committee was presented with a copy of the work plan in July 2017 as the body charged with governance in this area and an update is now being provided.

## **Resource Implications:**

None directly arising from the report

## **Legal Implications:**

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.

## **Risk Management Implications:**

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

## **Performance Management Follow-up:**

The Counter Fraud Unit will continue to deliver the workplan working closely with Senior

Management and reporting to the Chief Finance Officer.

**Environmental Implications:**

Not applicable.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1 The Counter Fraud Unit is working directly on behalf of all the Gloucestershire authorities, West Oxfordshire District Council and other public sector bodies such as Cheltenham Borough Homes and other housing associations.
- 1.2 The Unit is also developing joint working practices with other public sector bodies including Trading Standards, the Police and NHS Services.
- 1.3 The work plan for 2017/2018 has been agreed and was presented to Audit Committee in July 2017. The team is concentrating on adding value in areas associated with risk.
- 1.4 The Counter Fraud Unit will continue to provide the 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.

**2.0 WORK PROGRAMME 2017/18**

- 2.1 Since the start of the financial year, the Counter Fraud Unit has supported the Council in the following areas:
- Introducing a new Council Tax, Housing Benefit and Council Tax Reduction Scheme Penalty and Prosecution Policy to assist with the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and Council Tax liability.
  - Review of all Council Tax properties listed as long term empty. These properties are billed Council Tax at a 100% charge; however the local authority is penalised by way of a reduction in New Homes Bonus payments. 260 properties were visited; 63 were identified as being potentially occupied and/or furnished properties and another 56 properties are the subject of further enquiries with regard to the classification. Some may already be known to the Revenues Team and a full resultant report is pending. For every property which will be reclassified as occupied the result in additional New Homes Bonus payment for the Borough Council is approximately £5,016.96 over four years.
  - Review of all composite properties; those which are both a business and residential accommodation. The purpose of the review was to ensure accuracy in readiness for increased business rate retention and to maximise revenue, be it ratable value or Council Tax liability. 205 premises were reviewed and/or visited; 22 were identified as incorrect in that the property was either entirely residential or entirely a business premises. Another 45 premises are the subject of further enquires relating to anomalies with incorrect liable parties etc. A full resultant report is pending.
  - Processing of National Fraud Initiative referrals matching Single Person Discount accounts against the Electoral Register. Full results are pending but the exercise has resulted in approximately £45,000 increased billing in retrospective liability

and/or future liability to March 2018. A further £5,000 Housing Benefit overpayments and recoverable Council Tax Support has also been calculated.

- The investigation of employment matters with an element of fraud.
- A new procedural document is being drafted in consultation with HR in relation to internal investigation processes and the Disciplinary Policy. This will outline the Councils power to investigate criminal offences in line with legislation as well as undertake disciplinary investigations.
- The CFU has conducted a review of staff expenses. The report is being drafted.
- Training was delivered to Members on 19 September 2017 to introduce the CFU and provide some general fraud awareness.

**2.2** Internal Audit and the Counter Fraud Unit have a formalised protocol and now meet quarterly to review the current work plan and assess any areas of risk.

### **3.0 OTHER OPTIONS CONSIDERED**

**3.1** None

### **4.0 CONSULTATION**

**4.1** Work plans for 2017/2018 have been agreed with the Chief Finance Officer and Senior Management.

### **5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**5.1** Counter Fraud and Anti-Corruption Policy.

### **6.0 RELEVANT GOVERNMENT POLICIES**

**6.1** None.

### **7.0 RESOURCE IMPLICATIONS (Human/Property)**

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

### **8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

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

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

**9.1** 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.

### **10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**10.1** Report to Council January 2017; Counter Fraud Unit Business Case  
Counter Fraud and Anti-Corruption Policy approved at Executive Committee in October

2016.

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**Background Papers:** Report to Audit Committee July 2017

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**Appendices:** None