

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	15 December 2021
Subject:	Counter Fraud and Enforcement Unit Report
Report of:	Head of Service, Counter Fraud and Enforcement Unit
Corporate Lead:	Head of Finance and Asset Management
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	1

Executive Summary:

To provide the Audit and Governance Committee with assurance over the counter fraud activities of the Council.

Work plans are presented to the Audit and Governance Committee detailing progress and results for consideration and comment as the body charged with governance in this area.

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

Recommendation:

To CONSIDER the update on the work of the Counter Fraud and Enforcement Unit.

Reasons for Recommendation:

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.

In administering its responsibilities, this 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.

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.

Resource Implications:

The report details financial savings generated by the Counter Fraud and Enforcement Unit.

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:

The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud and Enforcement Unit provides assurance in this area.

Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

Performance Management Follow-up:

Regular updates are provided to the Head of Finance and Asset Management and the Head of Corporate Services. Biannual reports in relation to counter fraud work will be made to the Audit and Governance Committee.

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

Policy documentation will be presented when required to the Management Team.

Environmental Implications:

Not applicable.

1.0 INTRODUCTION/BACKGROUND

- 1.1 The Counter Fraud Partnership, which includes Tewkesbury Borough Council was the subject of a recent service review. One of the agreed proposals was that the name of the Unit be changed to the 'Counter Fraud and Enforcement Unit' (CFEU) to better reflect delivery. This will give colleagues, clients and members of the public a clearer indication of the remit of the team
- 1.2 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.
- 1.3 Work plans have been agreed with the Head of Finance and Asset Management and the Head of Corporate Services. The Audit and Governance Committee, as the body charged with governance in this area, is presented with a copy of the work plan for information.
- 1.4 Attached at Appendix 1 is the work plan for 2021/2022.

2.0 WORK PROGRAMME RESULTS

2.1 The Counter Fraud and Enforcement Unit has been supporting work streams created as a consequence of the COVID-19 pandemic by providing advice relating to fraud risk and abuse, most significantly in relation to the Business Grant Schemes. The Counter Fraud and Enforcement Unit has received seven referrals. Of these referrals, one case was confirmed as eligible, two cases of loss prevention, in that grant monies were not paid totalling £2,668, have been referred back to the team and an ineligible claim for £19,550 is being pursued. Three cases are still under review.

2.2 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 in a data matching exercise 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. The team are processing the following:

- 14 matches have been received which has collated and compared business grant data nationwide in relation to the original schemes paid during the first lockdown. Reviewing has commenced.
- The team has reviewed 672 matches relating to single person discount anomalies. 310 accounts were identified as requiring further enquiries with the liable parties. Responses are being collated and reports will be referred to the Revenues department requiring action. Increased revenue figures and penalty details will be provided within the next update report.
- 219 matches relating to the Council Tax Reduction Scheme and Housing Benefit. These are pending review.
- 72 matches have been reviewed relating to the Housing Waiting List. 15 discrepancies have been referred to the Housing Team. This is in addition to the general review of the Housing Waiting List undertaken by the Counter Fraud and Enforcement Unit.

2.3 In addition to Appendix 1, as a dedicated investigatory support service, the Counter Fraud and Enforcement Unit 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.

2.4 Since 1 April 2021, the team has received 11 referrals from across the Council and closed 15 cases. This excludes referrals relating to the Council Tax Reduction Scheme

2.5 The Counter Fraud and Enforcement Unit has been tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme (Council Tax Support) and is the single point of contact for Department for Work and Pensions (DWP) Housing Benefit investigations. Since 1 April 2021, the team has received 15 referrals and closed 10 cases. The team issued a Simple Caution, as an alternative to prosecution, relating to a case of undeclared employment. Seven Civil Penalties have been applied totalling £410 and increased Council Tax revenue of £15,283 has been raised. The team processed 16 enquiries for the Department for Work and Pensions and sent / received eight joint working requests.

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 Work plans have been agreed with the Head of Finance and Asset Management and the Head of Corporate Services.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 Counter Fraud and Anti-Corruption Policy.

Whistle Blowing Policy

Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy.

Corporate Enforcement Policy.

Regulation of Investigatory Powers Act 2000 (Surveillance and CHIS) Policy

Investigatory Powers Act 2016 (Acquisition of Communication Data) Policy

Use of the Internet and Social Media in Investigations and Enforcement 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 deterrent 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, 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 None

Background Papers: Report to Council - January 2017; Counter Fraud Business Case

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Appendices: Appendix 1 – Work Plan 2021/22