

Protecting the Public Purse Fraud Briefing 2013 Ribbles Valley Borough Council



Agenda

- Introduction and purpose of your Fraud Briefing
- *Protecting the Public Purse (PPP) 2013* report – national picture
- Interpreting fraud detection results
- The local picture
- Questions?

And do not forget

- Checklist for those charged with governance (Appendix 2 of PPP 2013)*
- Questions councillors may want to ask/consider (Appendix 3 of PPP 2013)*

Introduction

- Fraud costs local government in England over £2 billion per year (*source: National Fraud Authority*)
- Fraud is never a victimless crime
- Councillors have an important role in the fight against fraud

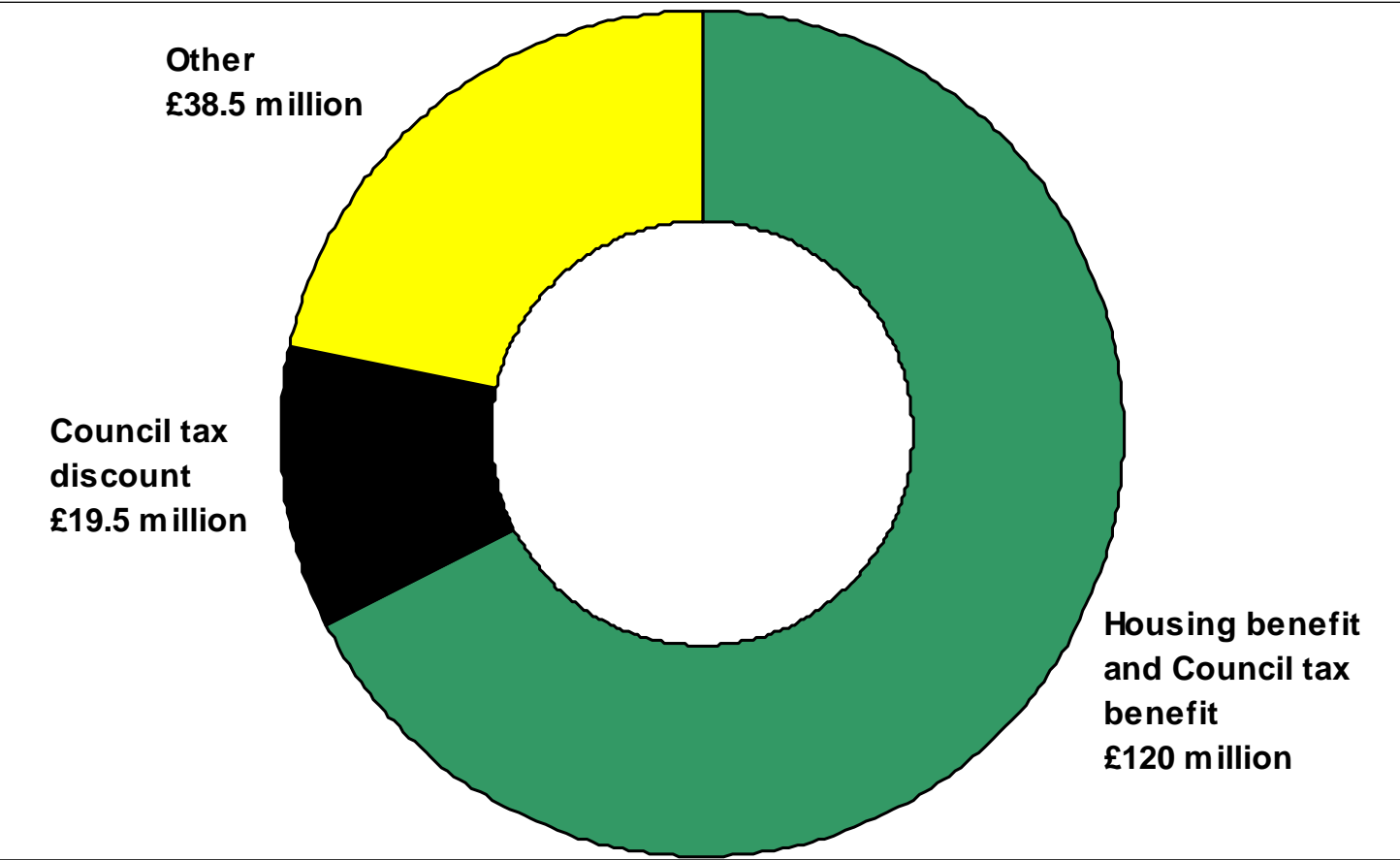


Purpose of Fraud Briefing at your council

- Opportunity for councillors to consider fraud detection performance, compared to similar local authorities
- Reviews current counter fraud strategy and priorities
- Discuss local and national fraud risks
- Reflect local priorities in a proportionate response to those risks

National Picture 2012/13

Total cases detected 107,000, with a value of £178 million (excluding social housing fraud)



Nationally, the number of detected frauds has fallen by 14% since 2011/12 and the value by less than 1%

Interpreting fraud detection results

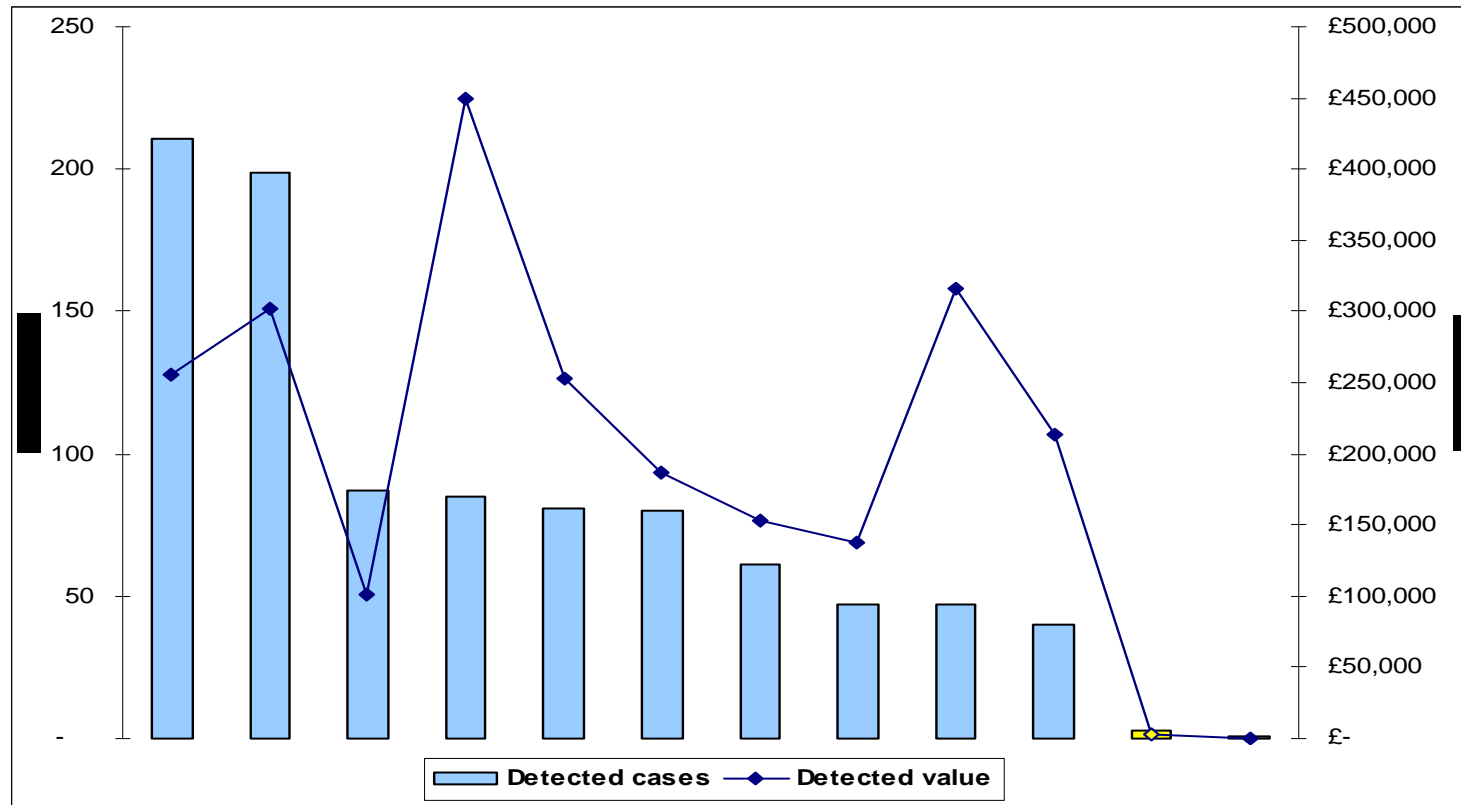
- Contextual and comparative information needed to interpret results
- Detected fraud is indicative, not definitive, of counter fraud performance (Prevention and deterrence should not be overlooked)
- No fraud detected does not mean no fraud committed (Fraud will always be attempted and even with the best prevention measures some will succeed)
- Councils who look for fraud, and look in the right way, will find fraud (There is no such thing as a small fraud, just a fraud that has been detected early)

Your council is highlighted in yellow in the graphs that follow

The local picture

How your council compares to other district councils in your county area

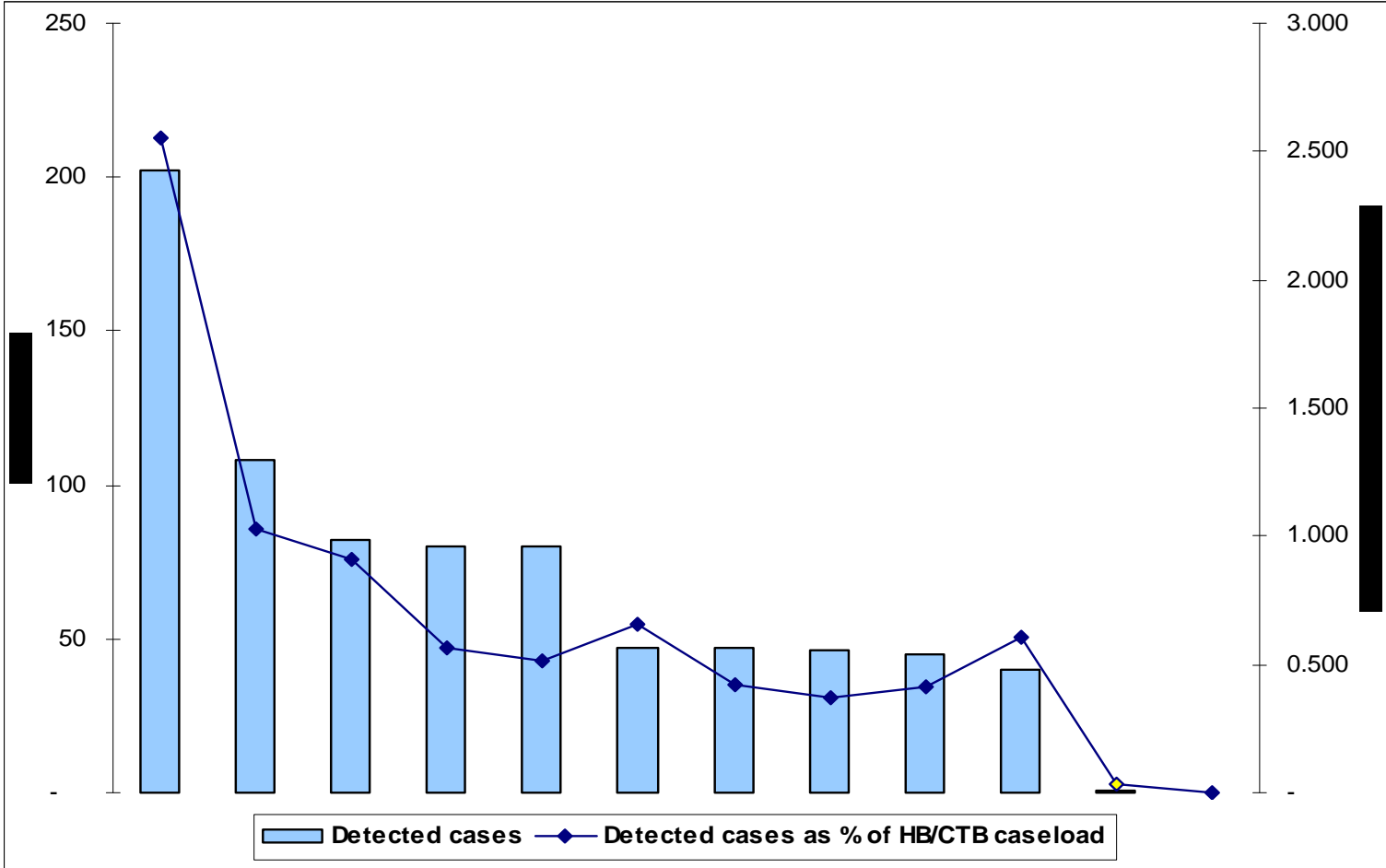
Total detected cases and value 2012/13



Ribble Valley detected: 3 cases, valued at £2,889

DC average for your county area: 79 cases, valued at £197,668

District councils in your county area 2012/13
Housing benefit (HB) and Council tax benefit (CTB) fraud
Detected cases and detected cases as a percentage of HB/CTB caseload



Ribble Valley detected: 1 case, valued at £2,889

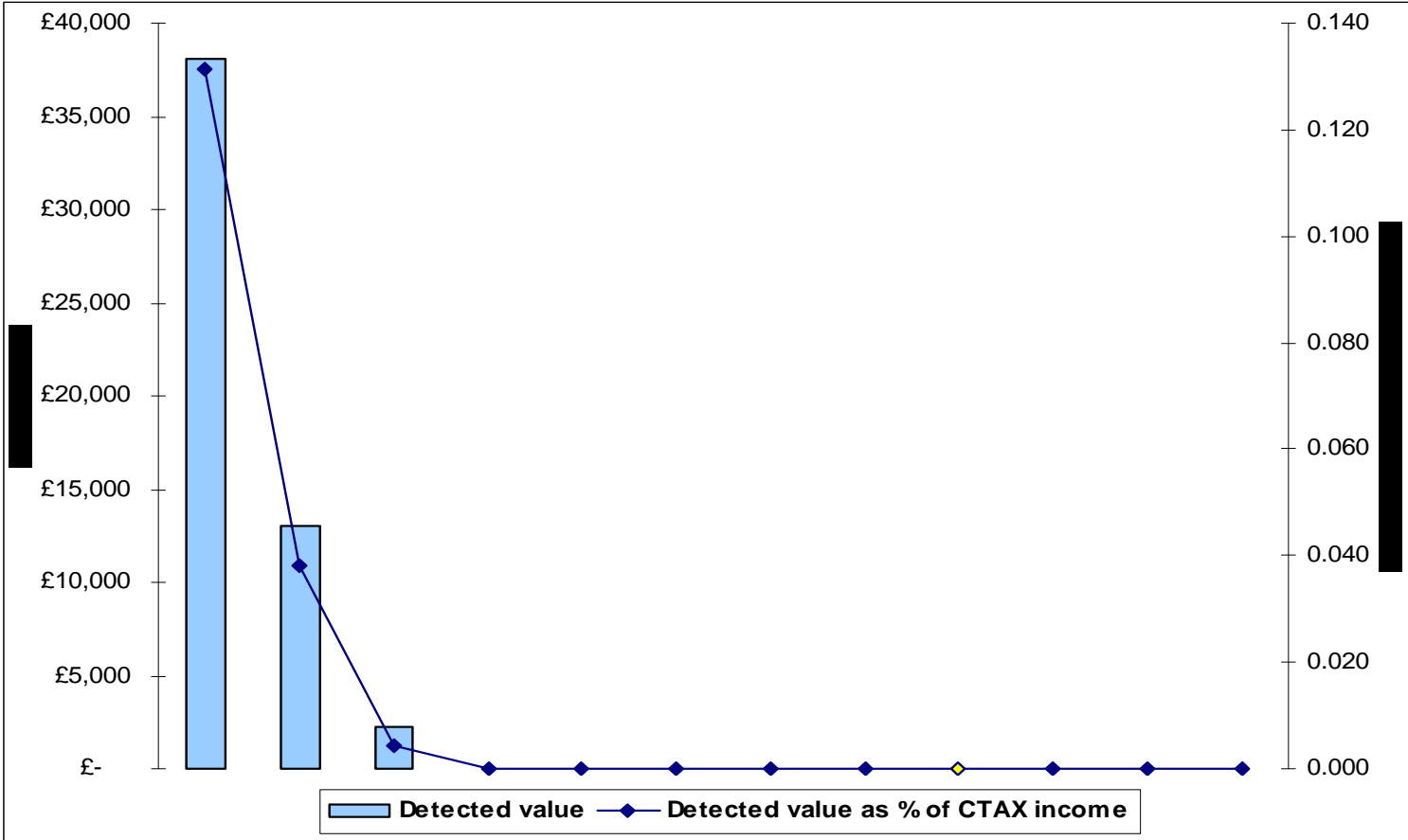
DC average for your county area: 65 cases, valued at £165,402



District councils in your county area 2012/13

Council tax (CTAX) discount fraud

Detected value and detected value as a percentage of council tax income



Ribble Valley detected: no cases

DC average for your county area: 10 cases, valued at £4,439



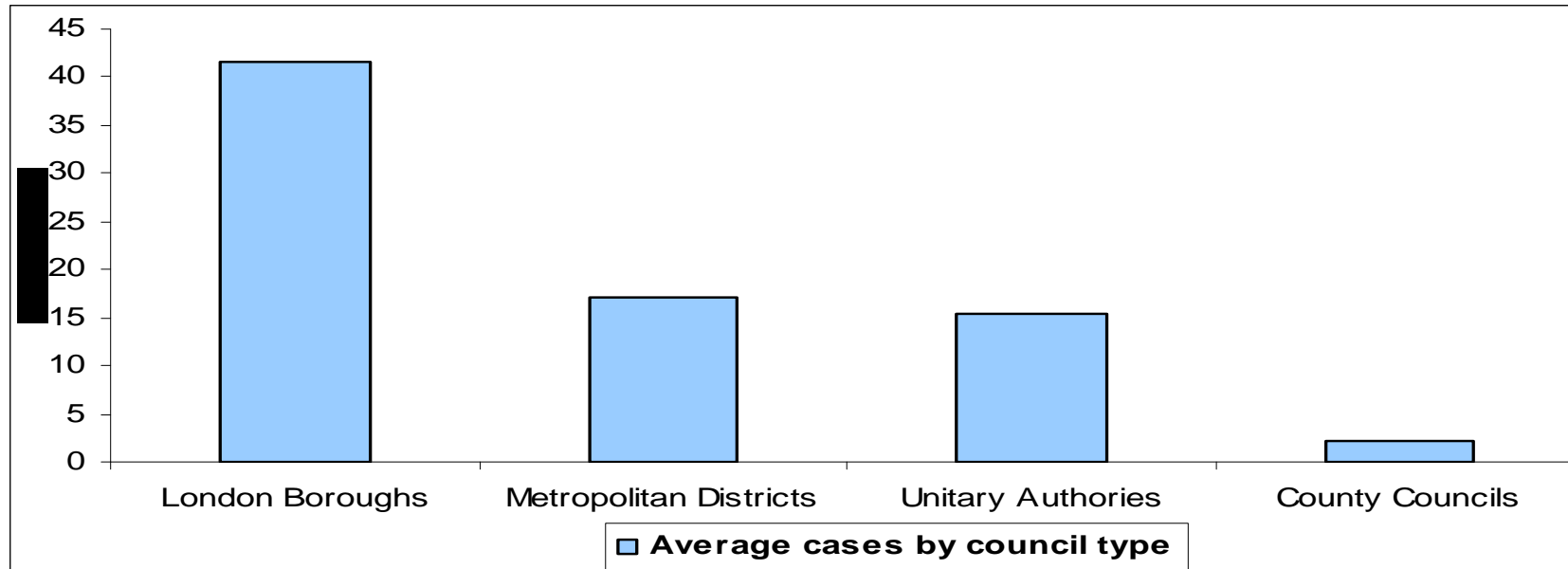
Ribble Valley Borough Council

Other frauds

- **Procurement:** no cases
*(Ave per DC in your county area: no cases
Total for all local government bodies in your region: 20 cases, valued at £411,783)*
- **Insurance:** no cases
*(Ave per DC in your county area: <1 case, no value recorded
Total for all local government bodies in your region: 6 cases, valued at £276,008)*
- **Economic & Third sector:** no cases
*(Ave per DC in your county area: no cases
Total for all local government bodies in your region: 11 cases, valued at £18,400)*
- **Internal fraud:** 2 cases, no value recorded
*(Ave per DC in your county area: 1 case, valued at £3,428
Total for all local government bodies in your region: 168 cases, valued at £1,522,016)*

*Correctly recording fraud levels is a central element in assessing fraud risk
It is best practice to record the financial value of each detected case*

Disabled parking (Blue Badge) fraud Detected cases by issuing council type



In two-tier areas:

- county councils have administrative responsibility for issuing blue badges
- district councils face reduced car parking income as a result of the fraudulent abuse of blue badges.

District councils without housing stock 2012/13

Social housing fraud

It is estimated that:

- 2 per cent of social housing stock outside London is subject to tenancy fraud;
- tenancy fraud represents the second largest financial loss to fraud in local government, costing £845 million in 2013; and
- when combined with the loss to tenancy fraud suffered by housing associations, the total value in England is £1.8 billion – making tenancy fraud five times greater than the annual loss due to housing benefit fraud.

The Prevention of Social Housing Fraud Act 2013 criminalises tenancy fraud

The legislation gives councils investigation powers and the ability to prosecute tenancy fraudsters on behalf of housing associations

Should you be using this legislation to work in partnership with local housing associations?

Any questions?



Fighting Fraud Checklist for Governance

Protecting the public purse 2013

November 2013

General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with <i>Fighting Fraud Locally</i> ?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
3. Do we have dedicated counter-fraud staff?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
4. Do counter-fraud staff review all the work of our organisation?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
7. Have we assessed our management of counter-fraud work against good practice?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		

General	Yes	No
<p>8. Do we raise awareness of fraud risks with:</p> <ul style="list-style-type: none"> ■ new staff (including agency staff); ■ existing staff; ■ elected members; and ■ our contractors? 	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Previous action		
2013 Update		
<p>9. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?</p>	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
<p>10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?</p>	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
<p>11. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?</p>	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
<p>12. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?</p>	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
<p>13. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?</p>	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		

General		Yes	No
14. Do we have effective arrangements for:			
■ reporting fraud?; and	<input type="radio"/>	<input type="radio"/>	
■ recording fraud?	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			
15. Do we have effective whistle-blowing arrangements? In particular are staff:			
■ aware of our whistle-blowing arrangements?	<input type="radio"/>	<input type="radio"/>	
■ have confidence in the confidentiality of those arrangements?	<input type="radio"/>	<input type="radio"/>	
■ confident that any concerns raised will be addressed?	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			
16. Do we have effective fidelity insurance arrangements?			
	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			
Fighting fraud with reduced resources		Yes	No
17. Have we reassessed our fraud risks since the change in the financial climate?			
	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			
18. Have we amended our counter-fraud action plan as a result?			
	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			
19. Have we reallocated staff as a result?			
	<input type="radio"/>	<input type="radio"/>	
Previous action			
2013 Update			

Current risks and issues	Yes	No
Housing tenancy		
20. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
21. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
Procurement		
22. Are we satisfied our procurement controls are working as intended?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
23. Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels, and compared them with best practice?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		
Recruitment		
24. Are we satisfied our recruitment procedures:		
■ prevent us employing people working under false identities;	<input type="radio"/>	<input type="radio"/>
■ confirm employment references effectively;	<input type="radio"/>	<input type="radio"/>
■ ensure applicants are eligible to work in the UK; and	<input type="radio"/>	<input type="radio"/>
■ require agencies supplying us with staff to undertake the checks that we require?	<input type="radio"/>	<input type="radio"/>
Previous action		
2013 Update		

Current risks and issues	Yes	No
Personal budgets		
25. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	○	○
Previous action		
2013 Update		
26. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	○	○
Previous action		
2013 Update		
Council tax discount		
27. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	○	○
Previous action		
2013 Update		
Housing benefit		
28. When we tackle housing benefit fraud do we make full use of: <ul style="list-style-type: none"> <li data-bbox="300 1357 711 1391">■ National Fraud Initiative; <li data-bbox="300 1435 858 1509">■ Department for Work and Pensions Housing Benefit matching service; <li data-bbox="300 1514 751 1547">■ internal data matching; and <li data-bbox="300 1592 783 1626">■ private sector data matching? 	○	○
Previous action		
2013 Update		

Emerging fraud risks	Yes	No
<p>29. Do we have appropriate and proportionate defences against emerging fraud risks:</p> <ul style="list-style-type: none"> ■ business rates; ■ Right to Buy; ■ Social Fund and Local Welfare Assistance; ■ council tax reduction; ■ schools; and ■ grants? 	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>
Previous action		
2013 Update		

Source: Audit Commission (2013)

Audit Commission
3rd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

Switchboard: 0303 444 8300

Appendix 3 - Questions for councillors to support 2013 individual fraud briefings

These questions are designed to be used in conjunction with individual fraud briefings for local authorities.

Together, they will help councillors do more to improve public confidence in their council's efforts to tackle fraud in a range of areas.

Tenancy fraud

- Has my organisation attempted to quantify the scale of tenancy fraud that our housing stock is subject to (at least 4 per cent in London, 2 per cent outside London)?
- Does my organisation have a strategic plan to tackle tenancy fraud?
- Does my organisation have any dedicated investigative resources specifically allocated to tackling tenancy fraud?
- Are the resources dedicated to tackling tenancy fraud proportionate to the scale of the problem?
- Did my organisation receive any non-ring fenced government funding, for 2013 and 2014, to tackle tenancy fraud?
- If yes, has all that funding been allocated to tackle tenancy fraud?
- If yes, have my organisation engaged with local housing associations to maximise the benefit of such funding for the community?
- Is my organisation a member of Tenancy Fraud Forum, including any regional forum group?
- Does my organisation maximise the benefits of participating in data matching, such as the National Fraud Initiative, to identify tenancy frauds?
- What assurances are there that any tenancy audits undertaken are robust, specifically intended to identify tenancy frauds and follow recognised best practice?
- Has my organisation considered the Prevention of Social Housing Act, including the scope for greater partnership with housing associations?

Council tax discount

- How effectively does my organisation use data matching activities to tackle council tax discount fraud, including the National Fraud Initiative?

- How well does my organisation use all forms of sanction and punishment, including penalties, criminal action and targeting previous years' fraudulently obtained discounts?
- Is my organisations policy on applying sanctions to deter council tax discount fraud effective?

Right to Buy

- Does my organisation review all applications for Right to Buy discounts?

Housing benefit fraud

- Has my organisation considered the impact of Single Fraud Investigation Service (SFIS) implementation from April 2014, on capacity to investigate non-benefit fraud?
- Has my organisation considered how best to work with SFIS to ensure local priorities and risks continue to be reflected in local activities to tackle benefit fraud?

Council tax reduction

- Does my council have a strategy to tackle Council tax reduction fraud?
- How well does this strategy combine proactive and reactive approaches to tackling fraud?

Social care

- How effective is my council's fraud awareness training for all staff working in social care (including those working for contracted providers), to identify suspected social care fraud?
- How good are my council's whistle-blowing arrangements for all staff working in social care?

Business rates fraud

- How effective is my council in maximising its income by tackling business rates fraud?

Blue badge fraud (disability parking concessions)

- How effectively does my council take action to tackle abuse of blue badge and other parking concessions?

Preventing other frauds

- How confident am I that staff in my council are aware of the risks of other high value, low frequency frauds and routinely apply all necessary controls to ensure that they do not occur?

Deterrence

- How effectively does my council detect fraud?
- How appropriate are the punishments we apply for fraud?
- How well does my council publicise its success in detecting fraud?