

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
26 June 2013

From: Director of Resources

Subject: **ANNUAL REPORT ON COUNTER FRAUD AND ANTI-CORRUPTION 2012/13**

All Wards

1.0 PURPOSE AND BACKGROUND:

1.1 The purpose of this report is to inform Members of the work that has been undertaken on Counter Fraud and Anti-Corruption during 2012/13.

2.0 WORK UNDERTAKEN:

2.1 The work undertaken can be split into two types and can be described as:-

Proactive work

This is undertaken by both Veritau North Yorkshire Limited and the Housing Benefit/Council Tax Benefits Section. This is summarised at Annex A.

Reactive work

This is also undertaken by both Veritau North Yorkshire Limited and the Housing Benefit Fraud Investigation Team based in the Housing Benefit/Council Tax Benefits Section, and is summarised at Annex B.

3.0 RISK ANALYSIS:

3.1 There are no risks associated with considering this report.

4.0 RECOMMENDATION:

4.1 It is recommended that Members note the Counter Fraud and Anti-Corruption work that has been undertaken during the year to 31 March 2013.

JUSTIN IVES

Background papers: None

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COUNTER FRAUD AND ANTI-CORRUPTION WORK UNDERTAKEN IN 2012/13**PROACTIVE****1.0 VERITAU NORTH YORKSHIRE LIMITED**

1.1 Fraud awareness training was provided during the year to specific managers.

2.0 HOUSING BENEFIT SECTION

2.1 The Housing Benefit Section is now a shared Revenues and Benefits service with Richmondshire District Council. Administration of the benefit service is led by the Revenues and Benefits Manager and consists of a Benefit Administration Team, a Service Development Team and a Fraud Investigation Team. The Overpayment Officer is now part of the Revenues Recovery team.

Benefit Administration Team -

Consists of 14 FTE staff:-

- A Principle Benefit Officer;
- 2 Team Leaders;
- 11 Assessment Officers;

Their work includes verifying information supplied in respect of Housing/Council Tax Benefit applications to prevent fraud and error entering into the benefit system at the start of a claim.

Service Development Team

Consists of 9.5 FTE staff:-

- A Service Development Team Leader
- 1 Training and Appeals Officer
- 1 Quality Control Officer
- 1.5 Generic Support Officers
- 5 Welfare / Enquiry Officers

The aim of this team is to support the Revenues and Benefits sections with administration work (i.e. indexing daily post) and ensuring compliance with legislation and processes and that that technology is used to its optimum in the benefits process.

2.2 Housing Benefit Investigation and Compliance Team

Consists of 5 FTE staff: -

- An Investigation and Compliance Team Leader
- Investigation Officers. (currently 2.7 posts in position)
- 1 Compliance Officer

The Housing Benefit Fraud Investigation Team is responsible for detecting fraud and error within the benefit system and administering the relevant sanction.

An updated referral allegation form is now available on both the internet and the intranet and will assist in better detailed referrals which should result in more successful outcomes

Powerpoint slides on fraud awareness training have been loaded onto the Council's intranet for all staff.

COUNTER FRAUD & ANTI-CORRUPTION WORK UNDERTAKEN IN 2012/13**REACTIVE WORK****1.0 VERITAU NORTH YORKSHIRE LIMITED**

1.1 The work which is to be reported is usually of an unplanned or special nature.

1.2 During 2012/13 there were no items requiring investigation.

2.0 HOUSING BENEFIT SECTION

2.1 The Housing Benefit Investigator's work includes investigation of allegations of fraud and the application of sanctions where it can be proven that an offence has been committed. Sanctions can be in the form of Cautions, Administration Penalties or Prosecution.

Allegations come from several sources:-

- Referrals from the public, employees of HDC including assessment officers.
- Data matches from the Audit Commission (National Fraud Initiative) and the Housing Benefit Matching Service;
- Referrals following intervention visits.

2.2 During 2012/13 82 cases of suspected fraud were investigated. The outcome of the investigation of these cases has been summarised and the previous 2 years figures are supplied for reference:-

	2012/13	2011/12	2010/11
Cases closed during year	82	99	149
Formal Cautions	6	7	7
Administrative penalties	10	11	13
Successful Prosecutions	3	6	5
Overpayments identified	£199,557	£173,856	£151,817

2.3 Every two years they take part in the National Fraud Initiative, a national exercise which identifies possible incorrect claims by matching data between various government bodies. To date this exercise has identified £207,719 in Housing and Council Tax Benefits for Hambleton District Council, and resulted in 10 Sanctions being given. In January 2013 the most recent exercise matches were received and work on these will commence shortly.

Also in place is the Housing Benefit Matching exercise which identifies claims where there are discrepancies between records from the Department of Works and Pensions and Her Majesty's Revenue and Customs and our own data. This is undertaken monthly.

2.4 Although there are no national indicators for Investigation and Compliance there is a commitment to protect the public purse from fraud and error and a local sanction target for 2011/12 of 31 Sanctions and £150, 000 of identified overpayments had been set.

2.5 The Housing Benefit Matching service was brought back into the Investigations Section and statistics are now recorded, matches from the first 5 months of 2012/13 have identified £21,096 of overpayments (not included in figures in 2.2).