
NORTH AYRSHIRE COUNCIL

14 November 2023

Audit and Scrutiny Committee

Title: Corporate Fraud Team update report

Purpose: To provide the Audit and Scrutiny Committee with an update report on the work of the Corporate Fraud Team between April and September 2023.

Recommendation: That the Committee notes the work carried out by the Corporate Fraud Team.

1. Executive Summary

- 1.1 The Corporate Fraud Team provides the Council with the capacity to investigate fraud both within and against the organisation.
- 1.2 Committee receives bi-annual updates on the work of the team. This report provides an overview of the activity of the team between April and September 2023.

2. Background

Referrals

- 2.1 Referrals for investigation have been made to the team from a number of different sources, including Revenues and Benefits and Housing, members of the public and other agencies and local authorities. The publicity used by the team, including posters and leaflets, advertising on Council vans and contact information on the Council website, continues to be successful in generating a stream of referrals.
- 2.2 Investigations have been carried out across a range of areas including employee-related matters as well as Council Tax, Discretionary Housing Payments, Scottish Welfare Fund, Blue Badges and Housing tenancy issues. Although responsibility for investigating Housing Benefit fraud now lies with the DWP Single Fraud Investigation Service (SFIS), issues may be identified by the Corporate Fraud Team which can result in changes being made to benefits in payment. Joint working arrangements are in place with the DWP for cases where there are suspected frauds relating to both DWP benefits and Council Tax Reduction.
- 2.3 The team investigates all tenancy abandonments which are referred by Housing. While Housing focus on recovering the tenancy, the Corporate Fraud Team can add value by locating the missing tenant, which can often lead to changes to benefits or

discounts in payment elsewhere, as well as enabling Housing to recover costs associated with house clearances and cleaning.

- 2.4 Employee-related investigations are the subject of a separate report to the appropriate Service and the findings are also reported to the Audit and Scrutiny Committee as each investigation is finalised.

Financial outcomes for April to September 2023

- 2.5 The team received 181 referrals for investigation during the first half of 2023/24 (2022/23: 176 referrals). Analysis of these referrals shows that 100 referrals were received from internal sources, and 81 from external sources.

- 2.6 The team investigates 100% of referrals made. During the period, 193 cases were closed (2022/23: 161 cases). These can be categorised as follows:

Category	Number of Cases
Closed with no issues identified	80
Referred to another agency (including SFIS) or Council Service for investigation	47
Closed with results achieved (fraud, error or other recovery/action)	66
TOTAL	193

- 2.7 Fraud and error totalling £0.098m were identified and are categorised in the table below:

Category	Value (£000)
Housing Benefit	19
Council Tax (including CTR, Single Person Discount and other recoveries)	69
Housing	2
Other (including employee investigations)	8
TOTAL	98

Non-financial outcomes for April to September 2023

- 2.8 In addition to the financial outcomes noted above, other outcomes/benefits were noted as follows:

- Thirty-eight tenancies were recovered by Housing with some assistance from the Corporate Fraud Team;
- One warning letter was issued for blue badge misuse, with a further badge being recovered for misuse.
- Five employee investigations have been undertaken which have resulted in reports with actions and recommendation of disciplinary action.
- One case was referred to the Crown Office and Procurator Fiscal Service (COPFS) for them to consider prosecution.
- Thirteen corrections and updates to records have been made to ensure record keeping is up to date.

International Fraud Awareness Week

- 2.11 International Fraud Awareness Week (IFAW) takes place from 12 – 18 November 2023. This year awareness will be promoted through North Ayrshire via social media campaign.

National Fraud Initiative (NFI)

- 2.12 The NFI is a long-established exercise which takes place across the UK every two years and involves the matching of relevant datasets across public bodies to identify possible fraud or error for further investigation.
- 2.13 The Corporate Fraud Team coordinates the exercise for the Council. All data sets have been submitted to the Cabinet Office, and a number of matches have been released since February 2023. This information has been disseminated to the appropriate teams across the Council for investigation and the outcomes will be reported to a future meeting of the Audit and Scrutiny Committee.

3. Proposals

- 3.1 It is proposed that the Committee notes the work carried out by the Corporate Fraud Team.

4. Implications/Socio-economic Duty

Financial

- 4.1 None.

Human Resources

- 4.2 None.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 None.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 The work of the Corporate Fraud Team helps to support the efficient delivery of the strategic priorities within the Council Plan 2023-2028.

Community Wealth Building

4.7 None.

5. Consultation

5.1 No consultation has been required in the preparation of this report.

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For further information please contact **Laura Miller, Senior Manager (Audit, Fraud, Safety and Risk)**, on **01294 324524**.

Background Papers

None