
NORTH AYRSHIRE COUNCIL

16 November 2021

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 2021.

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 normally 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 2021.

2. Background

Investigation Work

- 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 with the DWP paused during the COVID-19 pandemic, however DWP have intimated that they will shortly be looking to recommence this work. This formal joint working arrangement is in place for cases where there are suspected frauds relating to both DWP benefits and Council Tax Reduction.
- 2.3 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.

2021-22 (first half-year)

2.4 169 referrals were received during the first 6 months of 2021-22. This is an increase from prior year which was more significantly impacted by the COVID-19 pandemic, however has not yet returned to pre-COVID levels. During the period, 144 referrals were closed and these can be categorised as follows:

Category	Number of Cases
Closed with no issues identified	66
Referred to another agency (including SFIS) or Council service for investigation	41
Closed with results achieved	37
TOTAL	144

2.5 Fraud and error totalling £0.082m were identified and are shown in the table below:

Category	Value (£000)
Housing Benefit	12
Council Tax (including Council Tax Reduction, Single Person Discount, empty properties and recovery of arrears)	29
Housing Other	19
COVID-19 grants	16
Other	6
TOTAL	82

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

- ten tenancies were recovered by Housing with some assistance from the Corporate Fraud team;
- two warning letters were issued for blue badge misuse; and
- one case was referred to the Crown Office and Procurator Fiscal Service (COPFS) for prosecution.

Other work

2.6 Two data matching exercises are currently underway using data from the council tax and payroll systems, the aim of which is to identify any anomalies in the council tax accounts of council employees. The full results of these exercises will be reported to a future meeting of the Audit and Scrutiny Committee. To date there are four cases of arrears where recovery has commenced (£0.004m) and three cases with single person's discount anomalies (£0.005m).

2.7 Potential data matches from the biennial National Fraud Initiative (NFI) exercise were received from the Cabinet Office in various releases between February and September 2021. These matches are in the process of being reviewed, and the results of these investigations will be reported to a future meeting of the Audit and Scrutiny Committee.

2.8 International Fraud Awareness Week takes place from 14 – 20 November 2021. Consideration is being given around how to promote fraud awareness locally during that period, with an increased visibility on social media.

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.

Environmental and Sustainability

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 2019-2024.

Community Wealth Building

4.7 None.

5. Consultation

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

Mark Boyd
Head of Finance

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

Background Papers

None.