

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 29TH March 2012

NATIONAL FRAUD INITIATIVE UPDATE

Relevant Portfolio Holder	Councillor Roger Hollingworth Portfolio Holder for Finance, Partnerships and Economic Development
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Ward(s) Affected	All
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non-Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 This report has been written to provide background information in relation to the bi-annual Datamatching exercise with the Audit Commission. Information contained in this report relates to matches received in February 2011, using data extracted and forwarded to the Audit Commission in October 2010.

2. RECOMMENDATIONS

- 2.1 For the Audit Board to note the contents and outcomes attached to this piece of work.

3. KEY ISSUES

Financial Implications

- 3.1 Councils have to make reductions in spending. Significant savings can be made by reducing the impact of potential fraud against the Council. This can help to protect frontline jobs and services.
- 3.2 By being part of this Datamatching exercise with the Audit Commission (which is mandatory not voluntary), this enables the Council to review its internal procedures and clarify any queries raised. Where an irregularity is identified and proven, the details are corrected on relevant Council Systems and recoveries of any overpaid monies are undertaken. Where there is a case for consideration of a fraud investigation, the details would be supplied to the Corporate Anti-Fraud Team to take further.
- 3.3 In total 1629 number of data matches were received of which the following numbers related to the areas noted:

Housing & Council Tax Benefit	690
Concessionary Fares	256
Creditors History	274

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Creditors Standing	319
Payroll	89
Insurance Claims	1

As at 9 January 2012, 1408 referrals had been processed, with 12 fraudulent overpayments recorded plus 5 error cases. The total overpayments raised are £63,744.07 of which 16 are in recovery (with 1 fully recovered). These relate to Housing and Council Tax Benefit claims only.

Referrals outstanding are as follows (as at 9 January 2012):

Duplicate records for Creditors (being dealt with by Finance)	= 167
Housing Benefits (being dealt with by CAFT and/or DWP)	= 55
Payroll vs Creditors (being dealt with by CAFT)	= 1

The next batch of Datamatching cases is due in February 2012, involving matches between Electoral Register and Council Tax Single Person Discount. This will be another major input of work into the Corporate Anti-Fraud Team, but will allow the team to review the effectiveness of single person discounts awarded by the Authority whilst also identifying any fraudulent cases as relevant.

Legal Implications

- 3.4 There are no legal implications.

Service / Operational Implications

- 3.5 Whilst this type of work is significant both in workload but also in the time it takes to process, it provides a level of assurance regarding fraud affecting the Council with only 0.8% of such referrals requiring further more detailed attention.

Customer / Equalities and Diversity Implications

- 3.6 None

4. RISK MANAGEMENT

- 4.1 The National Fraud Initiative is a mandatory piece of work that the Council needs to undertake, currently with the Audit Commission. At present, the matches are checked by the relevant teams (such as finance transactions/queries being reviewed by the Finance Team). Providing the relevant systems and processes are in place to prevent abuse, this is not an issue, however if they are not, this should be identified on the Risk Register for the relevant departments.

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5. **APPENDICES**
6. **BACKGROUND PAPERS**
7. **KEY**

CAFT – Corporate Anti-Fraud Team
DWP – Department for Work and Pensions

AUTHOR OF REPORT

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