

Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Audit and Risk Committee

2 December 2015

Counter-Fraud Update Report 2015 -16

Joint Report of the Director of Finance and the Director of Local Services & Enforcement.

1. Purpose of the Report

- 1.1. Responsibility for the City Council's counter-fraud work is shared between the Corporate Investigations Team, the Revenues & Benefits Investigations Team both within Financial Services and the Trading Standards Team within Local Services & Enforcement.
- 1.2. The report, which is attached, provides information on counter-fraud activities between 1 April 2015 and 30 September 2015.

2. Recommendations

The Committee is recommended to:

- 2.1. Receive the report.
- 2.2. Make any recommendations or comments it sees fit either to the Executive, the Director of Finance or the Director of Local Services & Enforcement.

3. Summary

- 3.1. This report includes statistical information on fraud cases and an update on the fraud review that is almost complete. A report on the Council's counter fraud activities was presented to Members of the Audit and Risk Committee on 31 July 2015 and therefore this report seeks only to update Members on statistical information where it is available and to inform them about progress on the teams dealing with fraud.

- 3.2. As part of its work, the Corporate Investigations Team has investigated suspected financial irregularities and made recommendations to reduce the risk of further losses and improve performance, efficiency, effectiveness and economy in the use of resources by the Council.
- 3.3. The Revenues & Benefits Investigation Team has investigated suspected Housing Benefit and Council Tax Fraud and when appropriate worked closely with the Department for Work and Pensions to sanction offenders through prosecution, financial penalties and cautions.
- 3.4. The Trading Standards Service is responsible for fair trading, consumer credit, product safety, food standards, weights & measures and age restricted products.

4. Report

- 4.1. See the Counter-Fraud Update Report 2015-16, attached.

5. Financial, Legal and Other Implications

5.1. Financial Implications

Fraud can cause the Council significant loss and activity to prevent and detect fraud is a clear financial investment. Whilst it is impossible to quantify in any reliable way the full implications across the Council, sanctions were issued in relation to £736,754.00 of overpaid Housing Benefit and Council Tax Benefit in the year 2014 – 2015.

Colin Sharpe

Head of Finance

5.2. Legal Implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia

City Barrister & Head of Standards

5.3. Climate Change Implications

This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Louise Buckley, Graduate Project Officer (Climate Change)

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	This report is concerned with fraud and corruption, both of which are criminal offences.
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	
Health Inequalities Impact	No	
Risk management	Yes	Whole document

7. Background papers – Local Government Act 1972

- 7.1. Files held by Revenues and Benefits, Trading Standards and Housing
Leicester City Council's Anti-Fraud and Corruption Policy and Strategy
Leicester City Council's Finance Procedure Rules
Leicester City Council's Constitution
Leicester City Council's Code of Conduct for Behaviour at Work
Leicester City Council's Information Security Policy Statement
Leicester City Council's Prosecutions Policy
Leicester City Council's Investigators Code of Conduct
Public Bodies Corrupt Practices Act 1889
Chartered Institute of Public Finance & Accountancy (CIPFA) publication
Managing The Risk of Fraud
The Prevention of Social Housing Fraud Act 2013

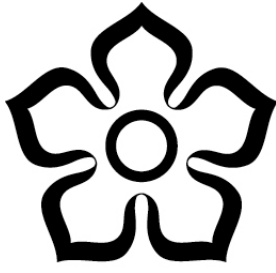
8. Consultations

Roman Leszczyszyn, Head of Regulatory Service, Environmental Services.

9. Report Author

Stuart Limb, Corporate Investigations Manager, ext 2615

Alison Greenhill
Director of Finance



Leicester
City Council

**COUNTER-FRAUD
UPDATE REPORT
2015-16**

COUNTER-FRAUD UPDATE REPORT 2015-16

1. Introduction

- 1.1 This is a report to the Audit & Risk Committee on the work delivered by Leicester City Council's Corporate Investigations Team, Revenues & Benefits Investigations Team and Trading Standards Service during the period 1 April 2015 to 30 September 2015. It also provides Members with an update on the progress of the revised Corporate Investigations Team.
- 1.2 The organisational review resulted in the creation of a new Corporate Investigations Team and the deletion of the Corporate Counter Fraud Team.
- 1.3 The Revenues & Benefits Investigations Team investigates fraud relating to Housing Benefit and the Council Tax Reduction Scheme and will transfer to the Department of Work and Pensions on 1 March 2016.
- 1.4 The Trading Standards Service is responsible for fair trading, consumer credit, product safety, weights & measures and age-restricted products.

2. The First Six Months in Summary

- 2.1 Trading Standards have continued with their normal work programme. The Head of Trading Standards has advised that there is no further information to be added to that contained in the report submitted to the Audit and Risk Committee on 31 July 2015.

Corporate Investigations Team

- 2.2 During the period covered by this report the Corporate Investigations Team have been through an intensive period of recruitment, procuring a new case management system and imbedding new working practices.
- 2.3 The team now benefit from a nationally recognized market leading case management system that allows the work to fully compliant with the legislation that governs the recording, retention and subsequent disclosure of evidence. In time this will allow more meaningful and accurate performance recording in terms of the performance of the team in tackling fraud. This will take a further six months to become fully utilized and tailored in order for the reports to be produced.
- 2.4 The authority is also the lead on a region wide counter fraud intelligence hub which is on behalf of all Local Authorities across Leicester, Leicestershire and Rutland. A large amount of work has been completed in procuring the data warehouse, producing data sharing agreements and a prosecution policy. In addition to the recruitment of the staff who will be working on the project. This project is funded by the Department of Communities and Local Government and a further update is provided by way of a presentation to the Audit and Risk Committee.
- 2.5 The team continues to investigate a variety of non benefit related cases and provide advice and assistance to management.

2.6 Performance Statistics for the period 1 April 2015 to 30 September 2015 are under development and not fully accurate at this stage. The previous case management system produced limited information and this is being converted and verified before the figures can be relied upon for accuracy. The performance data will be available for the end of year report.

Revenues & Benefits Investigations Team

2.7 The team consists of an Interim Investigations Manager and 4.8 Full Time Equivalent Investigation Officers.

2.8 Performance statistics for the period 1 April 2015 to 30 September 2015 are attached at Appendix 2.

Trading Standards Service

2.10 The Trading Standards Service currently comprises a single investigation team consisting of eight Trading Standards Officers and one manager. The focus of the Trading Standards Service is on investigation and enforcement of fair trading.

3. Review of Performance

3.1 Statistical information on the performance of the Corporate Investigations Team and Benefits Investigations Team is included at Appendix 1 and 2.

4. The Year Ahead

4.1 The report presented to the Committee on 31 July 2015 outlined the major objectives for the Corporate Investigations Team over coming months. The completion of the organisational review of fraud services has changed the emphasis from reactive fraud investigations to proactive fraud searching and offers other partners locally the opportunity to procure fraud investigation services from the Council. Additionally there is a greater emphasis on prosecuting offenders and seeking restitution and compensation for identified losses.

5. Acknowledgment

5.1 The Director of Finance acknowledges the efforts of all members of the Corporate Investigations Team, Revenues & Benefits Investigations Team and Trading Standards Service and the help, co-operation and support of Members and officers of the City Council.

Caroline Jackson
Head of Revenues and Benefits

Roman Leszczyszyn
Head of Regulatory Services

September 2015

Awaiting Registration & Scoring	
HB referrals awaiting registration	33

PLEASE COMPLETE/CHECK ALL CELLS IN : GREY

Monthly HB figures

Figures in 'BLUE' are formulas (DO NOT OVERTYPE)

Registered	This month	YTD	Allocated to IO's	YTD	Screened Out	YTD	Overloaded	YTD
HB files	47	334	16	124	25	197	3	9

Time taken to Allocate & Commence investigations	This month	YTD	cases > than 10 days	YTD
Registered and allocated within 10 days	40	307	4	19
Investigations commenced within 10 days of allocation	14	95	1	21

Closed - (exc. S/O & O/L)	This month	YTD
HB	19	165

Closed - (inc. S/O & O/L)	This month	YTD	Inv's closed >6 mths old
HB	47	371	13

Cases C/F	Prev. Mth	This Mth
HB	300	303

Investigations In Progress (exc. Sanctions) -	This Month	> 6 mths old
HB	205	115

Sanctions	Prev. Mth	This Mth	YTD - Total
Cautions Accepted	2	2	5
Administrative Penalties Accepted	0	1	7
Prosecutions - Successful (Guilty)	3	1	27
Total Sanctions	5	2	39
HB Prosecutions referred to Prosecuting Authority this month	6	4	N/A
Total HB files with Prosecuting Authority	52	54	N/A