

Leicester
City Council

WARDS AFFECTED
All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Audit and Risk Committee

16th November 2016

Counter-Fraud Update Report 2016-17

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 2016 and 30 September 2016.

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. A report on the Council's counter fraud activities was presented to Members of the Audit and Risk Committee on 27 September 2016 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 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 2016-17, 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.

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

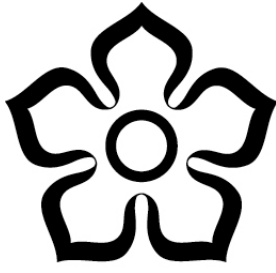
8. Consultations

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
2016-17**

COUNTER-FRAUD UPDATE REPORT 2016-17

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 and Trading Standards Service during the period 1 April 2016 to 30 September 2016. It also provides the committee with an update on the work of the Leicester, Leicestershire and Rutland Intelligence Hub.
- 1.2 The Trading Standards Service is responsible for fair trading, consumer credit, product safety, weights & measures and age-restricted products. A request was made to Trading Standards manager for information for inclusion in this report but no information has been provided at the time of this report. Therefore this report is confined to the performance and activities of the Corporate Investigations Team.

2. The First Six Months in Summary

2.1 Corporate Investigations Team

- 2.2 During the period covered by this report the Corporate Investigations Team have been working hard to progress the investigations which are now developing into more criminal in nature. This is now seeing a step change in the work of the Corporate Team at the authority as in previous years it has been more civil based investigations.
- 2.3 This has resulted in the first successful prosecutions for abuse of Disabled Parking Permits by the authority. The authority has also successfully prosecuted offences of forgery and counterfeiting documents provided to LCC in respect of procurement of goods/services.
- 2.4 The team has embedded the use of the new case management system into the investigations that allows the work to fully comply with the legislation that governs the recording, retention and subsequent disclosure of evidence. Work continues with the suppliers to develop a tailored suite of management reports which will improve meaningful reporting of the team's cases and outcomes. Further work is being undertaken to add in both real and projected financial savings that are associated with preventing and detecting fraud.
- 2.4 The authority also acted on behalf of a neighboring local authority to investigate suspicious activities on council tax accounts. The work resulted in joint working with the Metropolitan Police and the individual was convicted in London courts for fraudulently processing refunds on council tax accounts. The money stolen has been recovered via the Proceeds of Crime Act.
- 2.5 Work continues in developing the 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 has been a challenging task in collating data from the other authorities to data

match for the purposes of preventing and detecting fraud. To date there is still authorities that have not signed up to the project or uploaded their data.

2.5 The team continues to investigate a variety of non benefit related cases and provide advice and assistance to management.

3. Review of Performance

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

4. The Year Ahead

4.1 The report presented to the Committee on 27th September 2016 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, and the help, co-operation and support of Members and officers of the City Council.

Stuart Limb
Corporate Investigations Manager

COPRORATE INVESTIGATIONS TEAM PERFORMANCE
1st April 2016 to 30th September 2016

Registered	129
Closed	100
Investigations In Progress	75
Investigations In Progress more than 6 months old	6
Cautions Accepted	1
Administrative Penalties Accepted	0
Prosecutions - Successful (Guilty)	3
Total files with Solicitors	7