

**AGENDA ITEM NO. 4 - CORPORATE FRAUD WORKPLAN AND PROSECUTION  
POLICY**

**CABINET – 10th December 2015**

**COMMENTS FROM CORPORATE GOVERNANCE PANEL MEETING –  
2nd December 2015**

The Panel has received the Workplan for the Corporate Fraud Team following the transfer of Housing Benefit fraud investigations to the Department for Work and Pensions (DWP).

In May 2015 the responsibility for investigating allegations of Housing Benefit fraud transferred to the DWP. Three Investigating Officers transferred to the DWP and the in-house team now consists of a Team Leader, one Investigating Officer and an Intelligence Officer.

The Workplan has been developed around the types of fraud that currently form the majority of the work for the Team, as well as new and emerging threats including Council Tax Support fraud; Council Tax discount fraud; Housing Tenancy fraud and Business Rates fraud. The Corporate Fraud Team has been working with service areas across the Council and other partners to determine the level of fraud risk they encounter to establish how the Corporate Fraud Team can assist in reducing risk and investigating allegations of fraud.

In addition the Council has been the lead authority representing Cambridgeshire in securing funding from the Department for Communities and Local Government to establish a countywide initiative called the Cambridgeshire Anti-Fraud Network (CAFN). The principle aim of CAFN has been the creation of a central data-sharing hub across Cambridgeshire to assist in the detection and investigation of tenancy fraud and other fraud identified/reported across the County. Although CAFN is still in its infancy, it has been noted that as a result of Cambridgeshire authorities working together over £1 million of fraud has been identified across the County.

With different types of fraud being investigated, it has required the Fraud Prosecution Policy to be amended to include reference to the legislation used in prosecuting these new areas. The Panel has endorsed the recommendations to the Cabinet on the Fraud Prosecution Policy that establishes the legislation and process that Investigating Officers must adhere to when considering action following fraud investigation.

The Panel has previously agreed that the subject of a new Fraud Working Group would not be considered until the Work Programme of the Corporate Fraud Team has been agreed. The Corporate Fraud Team's remit focuses on Council services most at risk from fraud and loss and as the Team has been in its new format since May 2015, it is still establishing priorities for the future. The work of the Corporate Fraud Team is reported to the Corporate Governance Panel on an annual basis. In addition, monitoring the delivery of the Workplan is to be overseen by the Executive Councillor for Customer Service. It is therefore considered this is sufficient and that the formation of the Fraud Working Group will not add further value at this time.

The Panel has considered whether it wished to receive reports on a more frequent basis. However, as the Annual Report on the Corporate Fraud Team is scheduled to be presented to the Panel in June 2016, the Panel are satisfied with this approach.

Having noted that a number of new and emerging frauds have been identified including Right To Buy (RTB) fraud, it has been explained to the Panel that proposed changes to legislation could mean that Housing Associations will become increasingly at risk from RTB

fraud. In order to combat this, the Corporate Fraud Team is working with Housing Association partners to establish whether their procedures for processing RTB applications are robust and how the Corporate Fraud Team can assist to ensure that only genuine applications are accepted.

Allegations of fraud are encouraged to be reported to the Council via a number of methods including a 24-hour telephone line (automated voicemail system) that is checked daily; email; on-line referral forms; and at any of the Council's offices or in writing.

Prosecutions are regularly publicised in the local press as both a deterrent to prospective fraudsters and as a way of encouraging further referrals.

It has been explained to the Panel that fraud is identified via data matching using various databases such as Council Tax, Electoral Roll and that information is shared via CAFN and other partners such as the Police.

The Panel has acknowledged that despite changes within the Team, that performance during 2015/16 has demonstrated that it continues to be a valuable asset to the Council in combating fraud. The Panel has enquired whether the reduced size of the Corporate Fraud Team could leave the Council at risk and how it compares to other authorities. In response the Panel has been informed that the size of the Fraud Team varies amongst authorities, particularly as Government funding has ceased. Having a Corporate Fraud Team is a deterrent and also generates income via prosecutions. It is considered that the size of the Corporate Fraud Team is currently sufficient to address its Workplan and that data matching allows for joint working and information from a variety of sources to be compared. As a consequence surveillance is not required as a tool for identifying fraud.

The Panel has agreed that the Cabinet should endorse the recommendations as contained within the Officer's report.

#### **COMMENTS FROM OVERVIEW AND SCRUTINY (ECONOMIC WELLBEING) PANEL MEETING – 8th December 2015**

The Overview & Scrutiny Panel (Economic Well-Being) has recommended the Cabinet to:

- Approve the Fraud Workplan;
- Approve the revised Prosecution Policy, and
- Authorise the Executive Councillor for Customer Services to monitor the delivery of the Workplan alongside annual reports to the Corporate Governance Panel.