

AUDIT PANEL		
Report Title	ANTI FRAUD AND CORRUPTION TEAM (A-FACT) UPDATE	
Key Decision	NO	Item No. 5
Ward	ALL	
Contributors	Head of Corporate Resources A-FACT Group Manager	
Class		Date: 6 December 2016

1. Purpose of the Report

- 1.1. The purpose of this report is to present the Audit Panel with a review of the work of the Anti-Fraud and Corruption Team (A-FACT) in the last period.

2. Recommendations

- 2.1. It is recommended that the Audit Panel note this report for information.

3. Special Investigations

- 3.1. Details of work and comparative figures for the same period in the prior year are shown below, along with the previous two full year figures for reference.

Summary of Special Investigations work	2016/17	2015/16	Change		2015/16	2014/15
	P6 YTD	P6 YTD	Number	%	FY	FY
b/f (corrected 2016 b/fwd figure)	8	45	-37	-82%	45	30
New	60	59	1	2%	102	97
Closed	49	70	-21	-30%	-136	-82
c/f	19	34	-15	-44%	11	45
Of which						
E'ee cases	7	9	-2	-22%	17	19
- resulting in action	4	5	-1	-20%	10	10
Other cases	42	61	-19	-31%	119	63
- resulting in action	20	12	8	67%	27	31

- 3.2 There was only two employee cases that resulted in action in the last quarter.

- Employee initially failed to declare possible conflict of interest. This was corrected following receipt of information but a thorough review found no reason to preclude the activity or take any action against the employee.
- A-FACT raised concerns about the employment of an individual due to their employment history. The service area reviewed the circumstances and decided to go ahead with the appointment.

- 3.3 "Other Cases" include applications for support by those who have No Recourse to Public Funds, Blue Badge fraud, Council Tax fraud and reviews of operational processes to prevent or deter fraud. The actions taken are summarised in the table below.

Analysis of Non Employee Cases	Total Cases	Fraud Proven	Evidence provided to assist assessment	Action taken	Occ. Check	Info verified	NFA
No Recourse to Public Funds	14	2	7		2		3
Blue Badge	3	1					2
False ID/Doc verification	4	1				3	
Council Tax Fraud	6	2					4
Proactive/Process review	2			2			
Enquires for other orgs. etc..	8						8
Declarations of interest checked	2					2	
Applications for support	2		2				
Fraud alerts issued	1			1			
Total	42	6	9	3	2	5	17

3.4 A-FACT are continuing to assist the No Recourse to Public Funds team with their work by undertaking visits and gathering evidence. However, there may be considerable delay in a final assessment being made due to legal challenge etc. Therefore rather than keep investigation cases open for extended periods it has been decided to report on all cases where significant evidence is provided to assist an assessment.

3.5 Pre-employment Checks

A-FACT support Human Resources by undertaking part of the Council's recruitment checks. Each potential employee of the Council is required to complete a pre-employment check focusing on any issues relating to Council tax, benefits, rent and personal business interests which may cast doubt on the individual's integrity or potential conflicts for their work going forward. This process also applies to agency staff.

Summary of pre-employment checks	2016/17	2015/16	Change		2015/16	2014/15
	P6 YTD	P6 YTD	Number	%	FY	FY
Checks completed	117	151	-34	-23%	317	270
Action taken	5	18	-13	-72%	35	25

3.6 The five cases in the year to date were four instances of business interests either not being declared or requiring further review to ensure that no conflict of interest existed, and one case of an agency employee who had their contract terminated due to irregularities with the information provided.

Lewisham Homes

- 3.7 A-FACT continues to undertake investigation work on behalf of Lewisham Homes under a Service Level Agreement which has now been extended for 2016/17. This is just under one full time equivalent member of staff and a proportion of the police officer's time. The outcome of these investigations is reported by Lewisham Homes to their Audit Committee.

4 Housing Application Investigations

- 4.1 Details of work and comparative figures for the same period in the prior year are shown below, along with the previous two full year figures for reference.

Summary of Housing App Investigations	2016/17	2015/16	Change		2015/16	2014/15
	P6 YTD	P6 YTD	Number	%	FY	FY
Corrected 2016 b/fwd figure	13	42	-29	-69%	19	38
New	45	13	32	246%	28	46
Closed	-33	-17	16	94%	-46	-65
c/f	25	38	-13	-34%	1	19
Resulting in action	15	6	9	150%	25	42

- 4.2 The 15 successful cases resulted in 14 cancelled applications for housing. Based on current Cabinet Office figures each represents an indicative savings of £18k. In total a value of £252k. The remaining case related to a leaseholder who was claiming to be resident in their property on a decant scheme. Our investigations proved that they were not a resident and therefore the value of their compensation was reduced by approximately £6k.

5 DCLG/ RSL Partnership Cases

- 5.1 Since January 2012 A-FACT have worked with local housing partners to tackle fraud related to social housing.

Summary of Housing App Investigations	2016/17	2015/16	Change		2015/16	2014/15
	P6 YTD	P6 YTD	Number	%	FY	FY
Corrected 2016 b/fwd figure	8	176	-168	-95%	176	33
New	68	41	27	66%	76	269
Closed	-47	-180	133	74%	246	126
c/f	29	37	-8	-22%	6	176
Resulting in action	11	12	-1	-8%	16	38

- 5.2 There were 11 successful cases, including 10 tenancies recovered. The Cabinet Office have stated that the notional value of a social tenancy is now £75,000, on that basis this equates to a total saving to the Council of £750,000. The remaining case found that annual Council Tax Single Person discount of £268.07 had been falsely claimed. This has now been removed based on the evidence gathered.

6 Other Progress in the period

- 6.1 The new case management system is operating well and continues to be developed to support the work of the team.

- 6.2 Two of the two year fixed term vacant posts in A-FACT funded by one off grant from the Department for Communities and Government and monies recovered on a housing case in 2015/16 have now been filled. One dealing with housing and the other general corporate issues. This will enable our pro-active plan of work to progress especially in the areas of procurement and temporary accommodation. The work we have undertaken to date on identifying key fraud risks – consistent with the CIPFA counter fraud strategy recommendations - will also be developed and fraud reviews undertaken where appropriate.

- 6.3 Fraud awareness and document verification training has been delivered to 30 front line housing staff in this quarter. This has helped encourage an increased number of good quality referrals in this area.

- 6.4 In addition following the national fraud awareness campaign and using the opportunity of national fraud awareness week in November newsletters were published on the Council's corporate intranet.

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