

AUDIT PANEL		
Report Title	ANTI FRAUD AND CORRUPTION TEAM (A-FACT) UPDATE	
Key Decision	NO	Item No. 9
Ward	ALL	
Contributors	Head of Corporate Resources A-FACT Group Manager	
Class		Date: 18 June 2015

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	2014/15	2013/14	Change		2012/13
	FY	FY	Number	%	FY
b/f	30	41	-11	-27%	32
New	97	79	18	23%	103
Closed	-82	-91	9	-10%	-94
c/f	45	30	15	50%	41
Of which					
E'ee cases	19	27	-8	-30%	35
- resulting in action	10	16	-6	-38%	21
Other cases	63	64	-1	-2%	59
- resulting in action	31	22	9	41%	13

- 3.2. "Other Cases" include applications for support by those who have No Recourse to Public Funds and claims for Direct Payments for Care as well as other non employee related fraud and enquiries to assist other organisations or Boroughs with their investigations. In the last quarter the section has concluded 25 cases including.
- 13 cases relating to the No Recourse to Public Funds Team to inform assessments.
 - Resolving a query with the identity documents supplied by a school employee.
 - Verifying school admissions cases.

- Established Lewisham Council had been overcharged for the rewiring of a number of properties under the Decent Homes programme. Lewisham Homes who managed the programme of work agreed to repay £66,325.

Employee Related cases

3.3. Of the 82 cases closed this year 19 related to employees and 10 of these resulted in action. These cases are included in the year to date figures shown below.

Analysis of employee fraud	2014/15	2013/14	Change		2012/13
	FY	FY	Number	%	FY
Dismissed/resigned & Convicted	0	1	-1	-100%	2
Convicted & rec, disc. Action	0	0	0	0%	1
Resigned/Dismissed	2	5	-3	-60%	5
Other disciplinary (incl not employed)	1	6	-5	-83%	3
Monies repaid	2	0	2	200%	1
Management action incl review of procedures	2	2	0	0%	6
Identity issue cleared	2	2	0	0%	3
Fraud committed by 3rd party	1	0	1	100%	0
Total	10	16	-6	-38%	21

3.4. The cases concluded in the last period include

- an employee who resigned whilst our investigation was ongoing into missing monies at a school.
- Investigation into concerns that a manager may have provided a false reference. Established that reference for employment had been altered by employee at agency and that no Lewisham employee was at fault. Agency taking appropriate action.

3.5. Quarterly reports continue to be issued to each Executive Director with a summary of all cases being dealt with by Special Investigations in their Directorate. This ensures that the risk of fraud is considered in the context of the demands of the service, priorities are agreed, and progress on investigations communicated.

Lewisham Homes

3.6. A-FACT continues to undertake investigation work on behalf of Lewisham Homes under a Service Level Agreement which has now been extended for 2015/16. 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.

Pre-employment Checks

3.7. 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 benefits, council tax, rent and personal business interests which may cast doubt on the individual's integrity or potential conflicts for their work going forward.

Summary of pre-employment checks	2014/15	2013/14	Change		2012/13
	FY	FY	Number	%	FY
Checks completed	270	274	-4	-1%	246
Action taken	25	20	5	25%	16

- 3.8. In the 25 cases where action was required to confirm the declarations all were subsequently resolved satisfactorily. This included 11 issues in relation to interests in companies, two of which had not been declared, three cases where the employee was required to make arrangements to pay arrears of Council Tax, and two cases where the Council Tax single person discount was removed.

4 Benefit 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 benefit investigations work	2014/15	2013/14	Change		2012/13
	FY	FY	Number	%	FY
b/f	242	210	-32	15%	349
New	122	254	-132	-52%	304
Closed	364	222	142	64%	443
c/f	0	242	-242	-100%	210
Sanctions resulting	55	77	-22	-29%	78
Of which					
Admin penalty	8	7	1	14%	7
Caution	33	54	-21	-39%	54
Prosecution	14	16	-2	-13%	17
Overpayment value £	480,441	534,918	-54,477	-10%	616,761

- 4.2 Since the beginning of July the Benefit Investigation section has had just two officers (and one seconded to Special Investigations). They have managed to return results that concluded several prosecutions that were in progress before focusing on Admin Penalties and Cautions ahead of the transfer of the service to DWP.
- 4.3 The Benefit Investigation function, three investigators, transferred to the Single Fraud Investigation Service (SFIS) on the 1st April 2015. During the last quarter work was focused on bring cases to a conclusion or preparing them for transfer to SFIS.
- 4.4 Lewisham Council is no longer responsible for the investigation of benefit fraud but is still responsible for identifying fraud and referring suspect cases to SFIS.

5 Housing Investigations

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 Application Investigation Work	2014/15	2013/14	Change		2012/13
	FY	FY	Number	%	FY
b/f	38	76	-38	-50%	48
New	46	67	-21	-31%	105
Closed	-65	-107	-42	-39%	-77
c/f	19	36	-17	-47%	76
Resulting in action	42	50	-8	-16%	25

- 5.1 There have been 42 successful cases this year. These relate to five Housing Register applications, one Homelessness application, one fraudulent decant, and 35 cases that have been removed from the Housing Register as part of a project on Band 2 applications for housing (those considered in High Need of Housing).
- 5.2 The Audit Commission have stated that there is a significant value associated with recovering tenancies and preventing fraudulent applicants from being housed. They estimate that the average cost of temporary accommodation for a family for a year is £18,000. On this basis A-FACT have either recovered and prevented tenancies being wrongly allocated in 42 cases, representing a saving of £756,000.

6 DCLG Housing Bid funding

- 6.1 Since January 2012 the DCLG have funded an investigator based within A-FACT to work with local housing partners to tackle fraud related to social housing. This has recently been extended by a further grant to cover 2015/16 which will focus on working with some of the smaller RSL's who have not previously had assistance to tackle subletting.
- 6.2 In the last year 38 properties have been recovered from this work. An increase of 5 tenancies on the previous year. Lewisham has nomination rights on these properties. There is also a number of live ongoing cases opened as the team work with new partners.

Summary of DCLG Housing Investigations work	2014/15	2013/14	Change		2012/13
	P12	P12	Number	%	FY
b/f	33	9	24	267%	19
New	269	111	158	142%	158
Closed	-126	-83	43	52%	-168
c/f	176	37	139	376%	9
Tenancies recovered	38	33	5	15%	26
Breakdown by RSL					
L & Q	20	19	1	5%	12
Pinnacle	10	6	4	67%	8
Decant (Milford Towers)	0	0	0	0%	4
Lewisham Homes	1	4	-3	-75%	2
Hexagon	3	2	1	50%	0

Summary of DCLG Housing Investigations work	2014/15	2013/14	Change		2012/13
	P12	P12	Number	%	FY
Family Mosaic	3	1	2	200%	0
Wandle	0	1	-1	-100%	0
Ewart Road Housing Coop	1	0	1	100%	0

6.3 An example of a recent case was for a tenant allocated a large one bed flat in 1997. Failure to provide access for the annual gas check triggered concerns and the matter was passed for investigation. Enquiries under the Prevention of Social Housing Fraud Act established (PoSHFA) established that the tenancy had been sublet since at least April 2011. Based on the evidence provided the court awarded an outright possession order in February 2015.

6.4 On the basis of the Audit Commission figures for the value of social housing as detailed in para 5.2. The recovery of 38 tenancies equates to £684,000.

7 Publicity

7.1 There have not been any cases suitable for publication in this last period.

8 Fraud Awareness Training

8.1 In this period A-FACT have delivered three Fraud Awareness Sessions. One for the No Recourse to Public Funds Team and two for the Referral & Assessment team who undertake assessments for assistance under the section 17 of the Children's Act.

9 Metropolitan Police Seconded

9.1 Detective Constable Norris is on secondment to A-FACT from the Metropolitan Police.

9.2 As Lewisham A-FACT have become more proficient in securing prosecutions, we have started to uncover more sophisticated frauds which require the powers of arrest and search in order to be addressed effectively. The Police Seconded continues to enable the team to deal with cases that we wouldn't otherwise be able to progress.

10 Legal Implications

10.1 There are no legal implications arising directly from this report.

11 Financial Implications

11.1 There are no financial implications arising directly from this report.

12 Equalities Implication

12.1 There are no specific equalities implications arising directly from this report.

13 Crime and Disorder Implications

13.1 There are no crime or disorder implications arising directly from this report

14 Environmental Implications

14.1 There are no specific environmental implications arising directly from this report.

15 Background Papers

15.1 There are no background papers reported.

If there are any queries on this report, please contact

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