



Report Number
Governance & Audit Committee
8 January 2015

**Subject: Protecting the Public Purse – Fraud Briefing -West Lindsey
District Council - Fraud Briefing 2014**

Report by:	Chief Finance Officer
Contact Officer:	Group Accountant 01427 676560
Purpose / Summary:	To note the Fraud Briefing 2014

RECOMMENDATIONS:

- 1) That Members note the attached Fraud Briefing 2014 as presented by our Auditors, KPMG.**

IMPLICATIONS

Legal: None arising from this report.

Financial: Fin/118/15 – None from this report

Staffing : None arising from this report.

Equality and Diversity including Human Rights :

*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

Risk Assessment : None arising from this report.

Climate Related Risks and Opportunities : None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:

Protecting the Public Purse (Audit Commission 2013)

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes

No

Key Decision:

Yes

No

1 Introduction

The Audit Commission published its 'Protecting the Public Purse' on 14 November 2013 which highlighted current and emerging fraud risks in local government and provided a summary of information on fraud detection activities. The report also documented the Audit Commission's intention to issue individually tailored fraud briefings for each Council. These briefings have now been issued and the briefing for West Lindsey is attached at Appendix A

2 The WLDC briefing provides benchmark information on fraud detection activities compared with similar local authorities. It's prepared mainly for the benefit of Senior Officers and Councillors responsible for governance (i.e. members of the Governance and Audit Committee) and provides information to help Councils re-evaluate risks and strategies prior to preparing and approving the Annual Governance Statement.

3 The purpose of the fraud briefing is to:

- provide an information source to support Councillors' consideration of fraud detection performance at their Council, compared to similar local authorities;
- give an opportunity for Councillors to consider fraud detection performance, compared to similar local authorities.
- to give focus to enable discussion of national and local fraud risks, reflect on local priorities and the proportionate responses needed
- Be a catalyst for reviewing the Council's current strategy, resources and capability for tackling fraud.

4 Summary

Given that the report is designed primarily for consideration by 'those charged with governance' the report is presented to the Governance and Audit Committee, by our Auditors, KPMG .

Protecting the Public Purse

Fraud Briefing 2014

West Lindsey District Council



Purpose of Fraud Briefing



Provide an information source to support councillors in considering their council's fraud detection activities



Extend an opportunity for councillors to consider fraud detection performance, compared to similar local authorities



Give focus to discussing local and national fraud risks, reflect on local priorities and the proportionate responses needed



Be a catalyst for reviewing the council's current strategy, resources and capability for tackling fraud

Understanding the bar charts

Outcomes for the first measure for your council are highlighted in yellow in the bar charts. The results of your comparator authorities are shown in the green bars.



Outcomes for the second measure for your council are highlighted as a green symbols above each bar. The results of your comparator authorities are shown in the white triangles.



A '*' symbol has been used on the horizontal axis to indicate your council.

All data are drawn from council submissions on the Audit Commission's annual fraud and corruption survey for the financial year 2013/14.

In some cases, council report they have detected fraud and do not report the number of cases and/or the value. For the purposes of this fraud briefing these 'Not Recorded' records are shown as Nil.

Comparator group

Babergh
Boston
Breckland
East Lindsey
Fenland
Forest of Dean
High Peak
Lincoln
Mid Devon
Newark and Sherwood
North Kesteven
North Warwickshire
Selby
South Derbyshire
South Holland
South Kesteven
South Staffordshire
Staffordshire Moorlands
West Lindsey

Interpreting fraud detection results



Contextual and comparative information needed to interpret results



Detected fraud is indicative, not definitive, of counter fraud performance (*Prevention and deterrence should not be overlooked*)



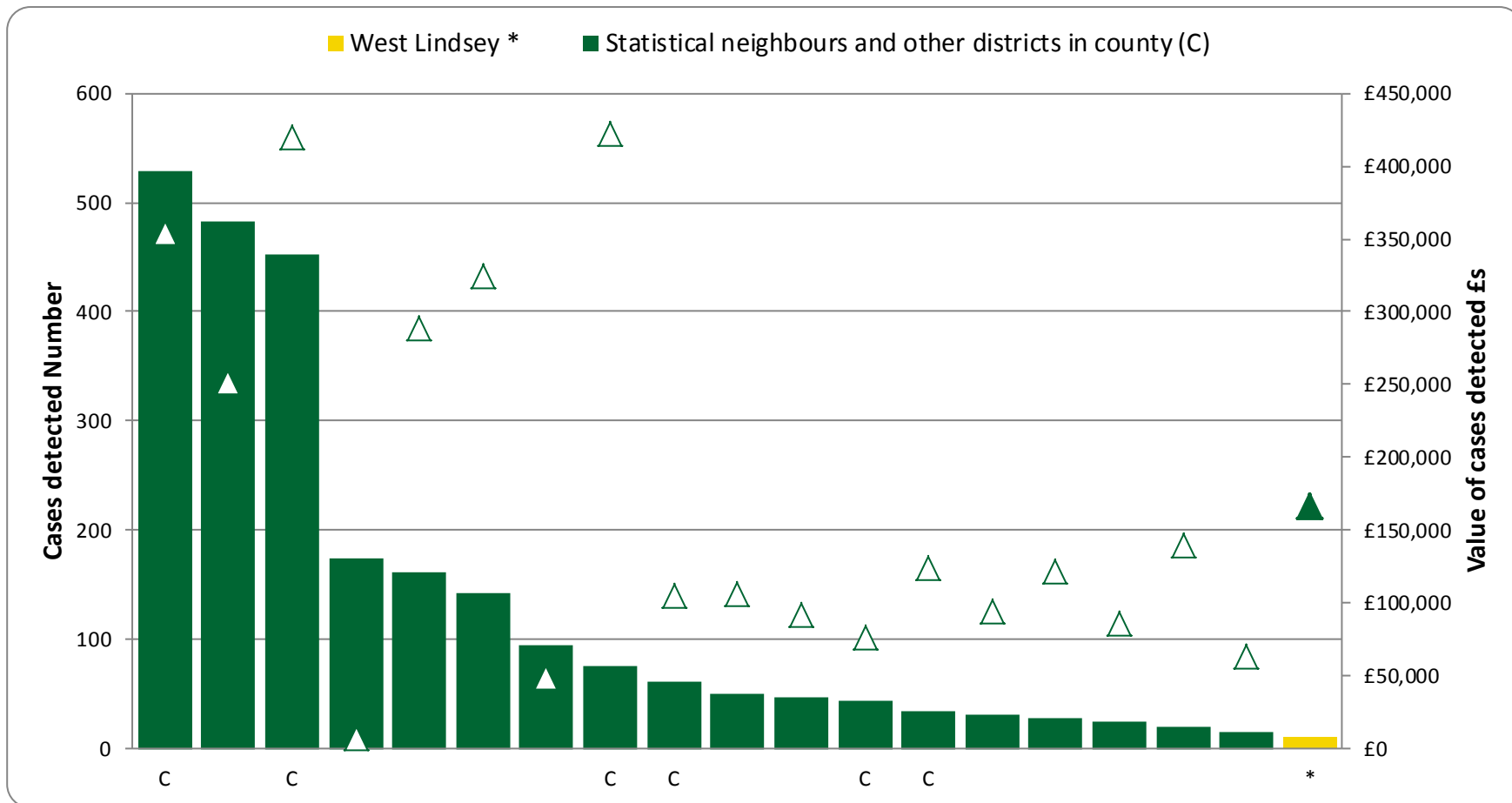
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



Councils who look for fraud, and look in the right way, will find fraud (*There is no such thing as a small fraud, just a fraud that has been detected early*)

Total detected cases and value 2013/14 (Excludes Housing tenancy fraud)

West Lindsey



West Lindsey detected 10 cases of fraud. The value of detected fraud was £166,133.

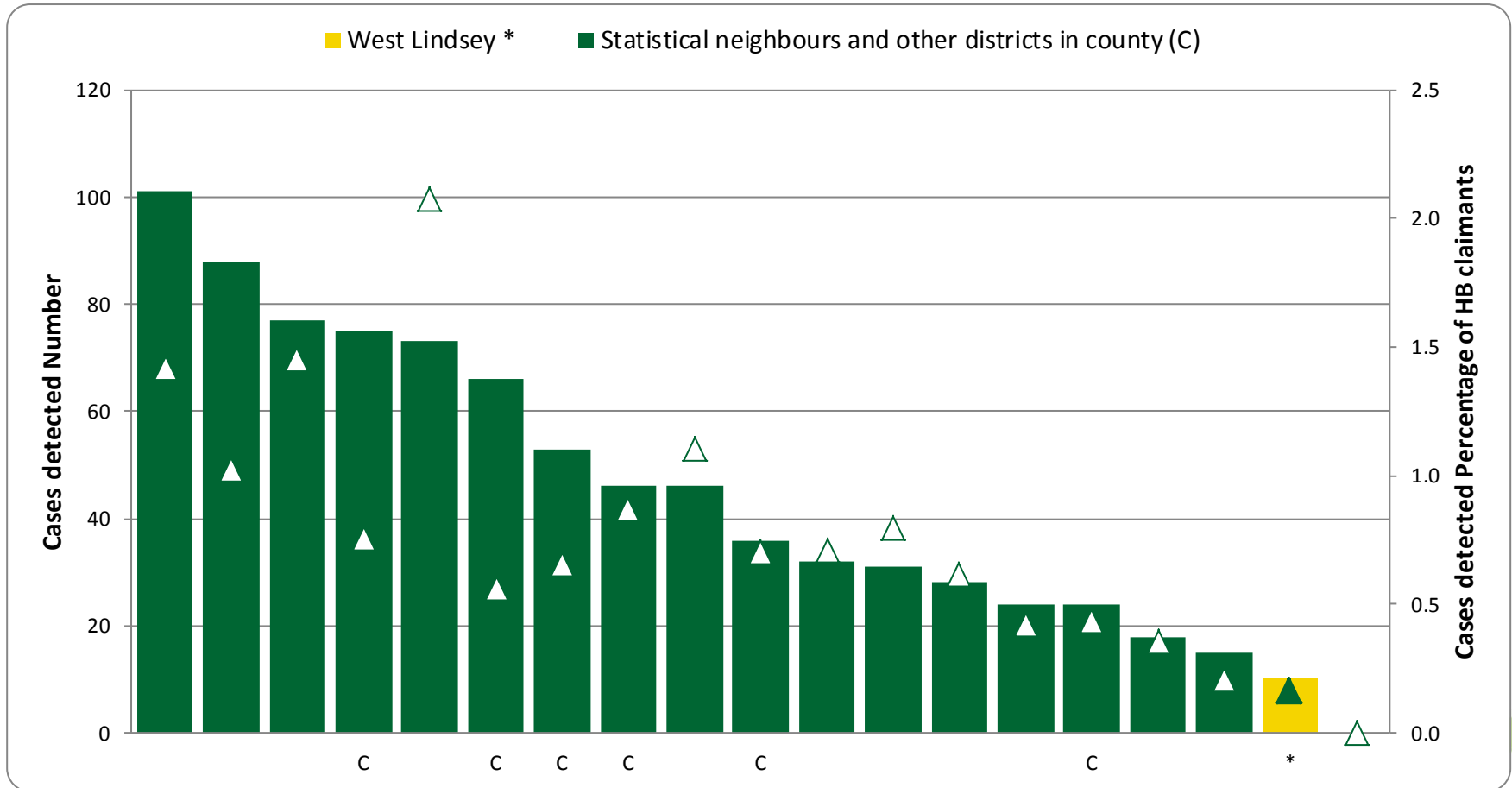
Average for statistical neighbours and county: 137 cases, valued at £173,673



Housing Benefit (HB) and Council Tax Benefit (CTB) 2013/14

Total detected cases, and as a proportion of housing benefit caseload

West Lindsey



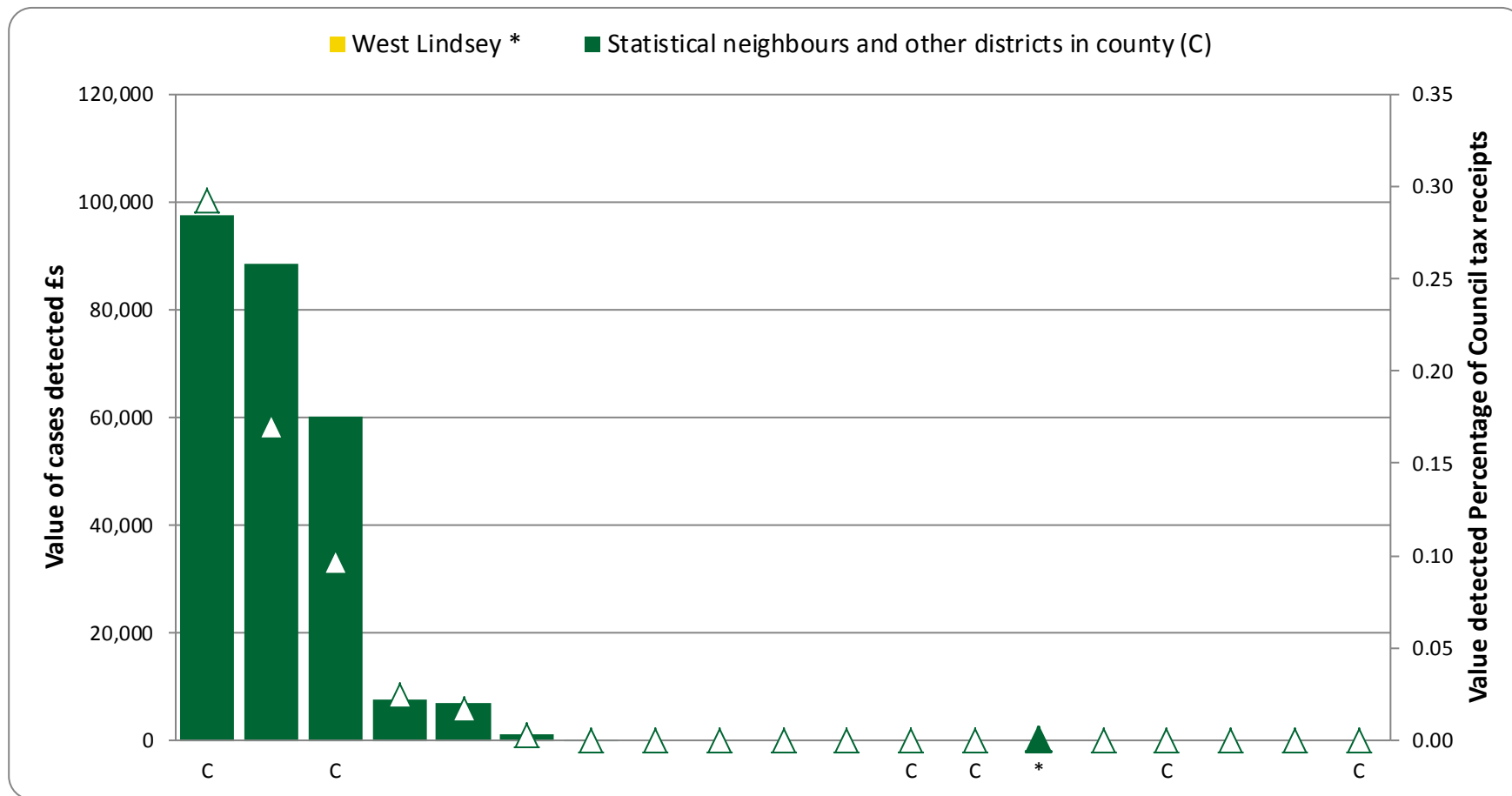
West Lindsey detected 10 cases of this type of fraud. The value of detected fraud was £166,133.

Average for statistical neighbours and county: 46 cases, valued at £159,979

Council tax discount fraud 2013/14

Total detected cases, and value as a proportion of council tax income

West Lindsey



West Lindsey did not detect any cases of this type of fraud.
 Average for statistical neighbours and county: 65 cases, valued at £14,549



Councils without housing stock 2013/14

Housing tenancy fraud

4 per cent of social housing stock in London and 2 per cent outside London is subject to tenancy fraud

Second largest fraud loss to local government, £845 million

Combined with housing associations the total loss in England, £1.8 billion

The Prevention of Social Housing Fraud Act 2013: criminalises tenancy fraud

Councils have powers to investigate and prosecute tenancy fraudsters on behalf of housing associations

Should you be using this legislation and powers to work in partnership with local housing associations?

Other frauds 2013/14

West Lindsey

Procurement: West Lindsey did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 1 case, valued at £40,800

Insurance: West Lindsey did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 3 cases, valued at £99,225

Economic and third sector: West Lindsey did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 0 cases

Internal: West Lindsey detected this type of fraud and did not report the number of cases.
Total for statistical neighbours and county: 1 case, valued at £3,866

*Correctly recording fraud levels is a central element in assessing fraud risk.
It is best practice to record the financial value of each detected case*

Questions elected members and decision makers may wish to ask

Post SFIS

Local priorities

Partnerships

Using information and data

Are our remaining counter-fraud resources and skill sets adequate after our benefit fraud investigators have left to join SFIS?

Are local priorities reflected in our approach to countering fraud?

Have we considered counter-fraud partnership working?

Are we satisfied that we will have access to comparative information and data to inform our counter-fraud decision making in the future?

Any questions?

