

ANNUAL AUDIT REPORT 2018/19



Our report provides details of counter fraud activity for 2018/19, including incidents of fraud. The report also seeks to give assurance of our resilience to countering fraud and corruption.

Highlights

- 18 cases of Council Tax Support** with penalties of **£1,260**
- 2 Fraud proven Housing Benefit** cases worth **£8,717** (including penalties)
- We completed a review of our **Fraud Risk Register**
- All staff undertook mandatory **e-learning** Fraud Awareness training
- We continue to participate in the **National Fraud Initiative**
- New **Fraud Policies** were approved

Fraud Activity 2018/19:

During the year there has been one instance of suspected theft from the Council's parking machines, totalling £329. This was over a number of days, and has since stopped. An investigation was undertaken internally, however due to the low value and no substantial evidence, the matter was not pursued with the police. There has been one instance where we have received email instructions to transfer funds, which was reported to the Police Fraud Unit. Our Tekal Company had a fraudulent transaction of £9,000 taken from its bank account. This was reported to the Information Commissioners Office, and details were sent to the Police Fraud Unit. The money was refunded by the bank.

Revenue and Benefits Housing Fraud:

The activity in relation to Revenue and Benefits Fraud is as follows. There were 18 cases of Council Tax Fraud overpayments that were sanctioned, each with a £70 penalty charge, totalling £1,260. The cases of proven Housing Benefit Fraud totalled £19,975 (including penalties of £8,717.78). The Housing Benefits Matching Service identified Claimant errors totalling £27,241.23, Local Authority errors totalling £272.64, and Government errors (The Department for Work and Pensions) totalling £607.21.

Fraud Partnership:

We are a member of the Lincolnshire Fraud Partnership. We work together to create a Fraud Plan, to share knowledge and expertise, in order to identify new fraud risks. These have included attempts to change a creditors bank details, telephone scams where the caller was purporting to be from HMRC or the police, with the objective to get the victim to pay money, false creditor invoices with incorrect bank details, and emails requesting the transfer of funds. The finance team and relevant other officers are notified upon receipt, however they are vigilant in their roles. The partnership supported the Fraud Awareness Week, 11-17 November 2018.

Internal Audits:

A number of Internal Audits were undertaken during the year which are relevant to countering fraud. These included insurance (high assurance), payroll, commercial planning, and sales and invoicing (all substantial assurance).

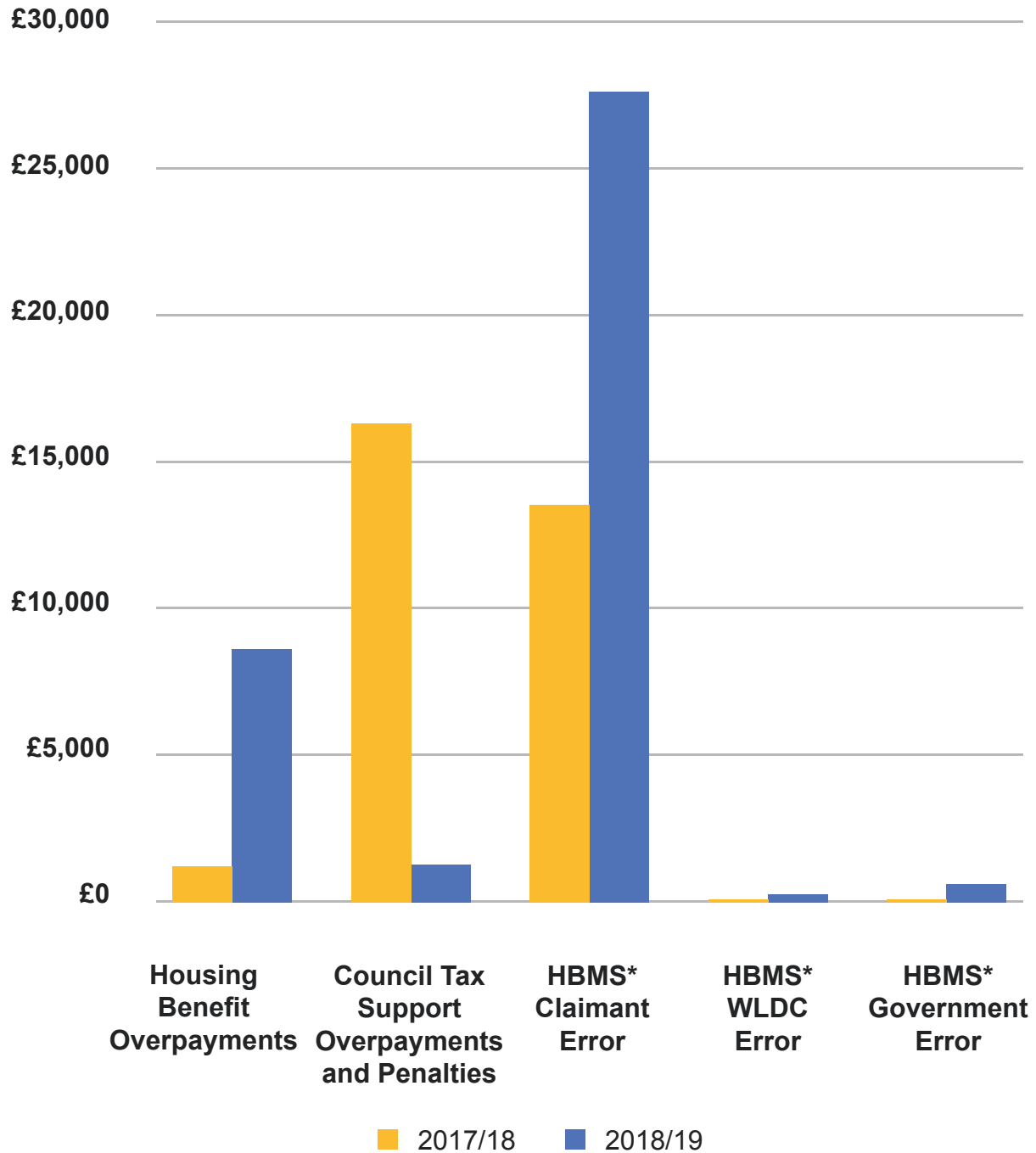
Counter Fraud Policies:

During 2018/19, there was a full review of fraud policies to ensure compliance with legislation, statutory instruments and new regulations. This committee approved the following policies: Anti-Money Laundering Policy, Prevention of Financial Crime Policy, Anti-Fraud and Corruption Policy, and Anti-Bribery Policy. The annual review will be undertaken shortly, with any changes being reported to this committee for approval.

National Fraud Initiative:

We match data with other public sector organisations, the process identified £32,648.64 of issues, £27,806.30 of which related to Creditor payments which had been identified during normal procedures and fully recovered.

HOUSING AND COUNCIL TAX: KEY DATA



* Housing Benefit Matching Service

NATIONAL FRAUD INITIATIVE (NFI): KEY FACTS

The National Fraud Initiative matches data held in public and private sector bodies to prevent and detect fraud. During 2018/19, the following matches were identified:

Total:

£32,648.64



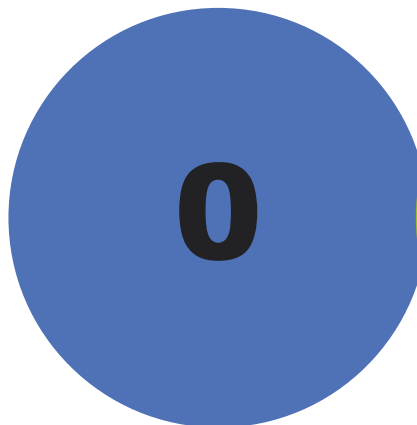
Processed



Opened
(Investigating)



Cleared (Already
Known & No Issue)



Frauds



Errors

MANAGEMENT INFORMATION

These charts provide information on the outcome of investigations, identified savings, and categorised by service area. In relation to Creditors, these were 14 duplicate payments (system and manual error) which were identified as part of our normal due diligence, all amounts were fully recovered.

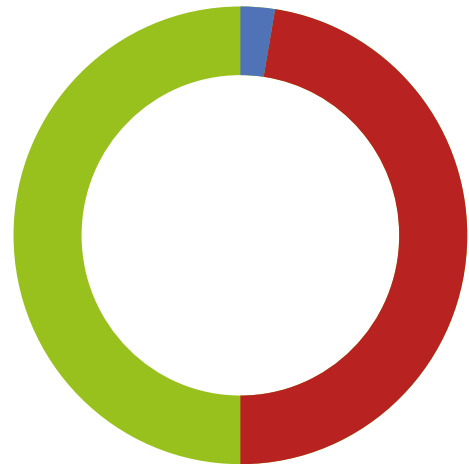
The number of matches processed aggregated by status

- Opened (21)
- Closed - Already Known (52)
- Closed - No Issue (426)
- Closed - Error (66)
- Closed - Referred to DWP (1)



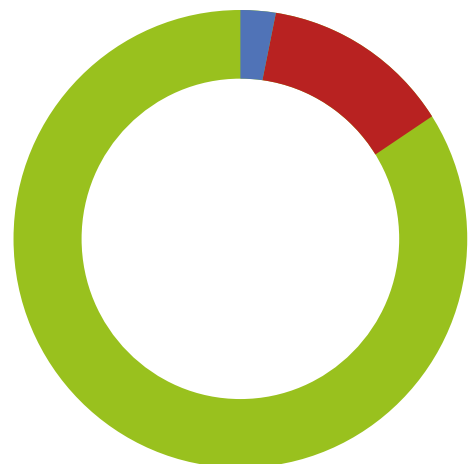
Total outcomes by organisation split by actual and estimate

- Total Estimated Savings (£625.17)
- Total Actual Savings (£32,648.64)
- Total Savings (£33,273.81)



Total Outcomes by Service

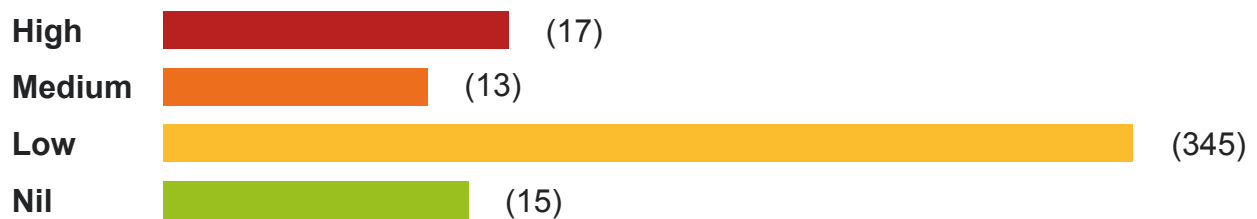
- Creditors (£27,806.30)
- CT Reduction (£4,655.96)
- Housing Benefit (£811.55)



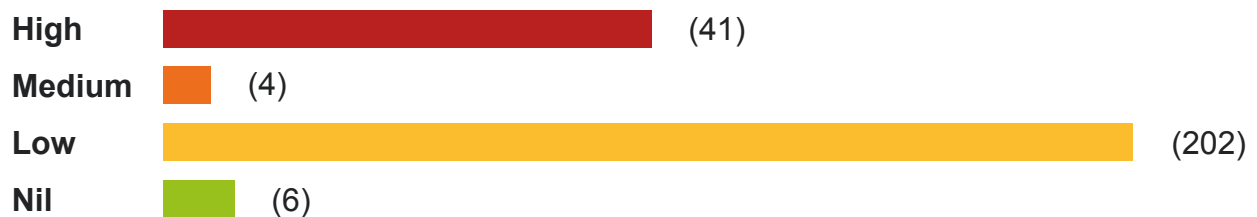
NFI FRAUD RISKS

The graphs below display the counts of individuals with potential fraud risk factors identified. Broken down into dataset types, individuals are assigned a cumulative score based on the number of matches identified and then grouped into categories. Individual matches are then investigated.

Council Tax Reduction Scheme



Housing Benefit Claimants



Payroll



Waiting List

