

FRAUD SECTION ANNUAL REPORT 2006/07

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Summary: This report summarises the performance of the Fraud Team in 2006/07.

Recommendation: That Members note the report.

FRAUD WORK 2006/07

1.0 Caseload investigated 1st April 2006 to 31st March 2007

Number of cases referred:	397
Number of cases accepted for investigation:	291
Number of cases closed no fraud:	175
Number of cases closed unable to prove:	92
Number of cases summonsed for prosecution:	14
Number of successful prosecutions:	7
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	7
Number of Cautions given:	7

Note: These numbers will not reconcile to caseload, as investigations can be brought forward from the previous year and/or carry on after the year end.

2.0 PROGRESS AGAINST TARGETS

2.1 The Department of Works and Pensions (DWP) set annual targets [per 1000 of the Benefits caseload]. Targets and achievements are given below, based on an average caseload figure of 6,821.

	<u>Target</u>	<u>Actual</u>
Number of investigations closed	281	303
Number of sanctions [Prosecutions / Admin Penalties / Cautions]	27.28	21

- 2.2 Although the number of closed investigations exceeded the target, the number of sanctions was below target. However, there were 3 prosecution files being reviewed by the Legal section as at 31 March 2007. These cases will be summonsed for prosecution in 2007/08.
- 2.3 As a result of their investigations in 2006/07, the fraud team have identified benefits overpayments of £55,843.05. The Revenues and Benefits recovery team will pursue recovery of these overpayments.
- 2.4 Administrative Penalties amounting to £5040.79 were given to fraudulent claimants in 2006/07. This income will be reinvested in fraud investigation activities [e.g. to pay search fees] but cannot be recovered until all the Benefit overpayment has been repaid.

3.0 STAFFING ISSUES

- 3.1 As at 31st March 2007, the section was fully staffed with a Team Leader, 2 full time investigators and an admin support officer. All the Fraud Team have now undertaken the Professionals In Security (PINS) training and have passed the relevant exams.
- 3.2 Following approval of the Sanctions Policy in 2006, the Benefits Team Leader and the Audit and Fraud Prevention Manager have met with the Fraud Team Leader to decide upon the appropriate sanction to be applied when benefits fraud has been proven.
- 3.3 Prosecutions were being undertaken by the Council's Legal section.

4.0 CURRENT FRAUD WORK

- 4.1 As at 24th April 2007, the fraud section was undertaking a caseload of 181 live investigations. These include joint investigations with the DWP and investigations relating to the National Fraud Initiative. The National Fraud Initiative exercise is still in the early stages and so far it has highlighted a few errors in the system but these as yet have not been fully investigated.
- 4.2 There are 3 prepared prosecution files with the Legal Section and the summons should be issued in due course.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 The Fraud Team have exceeded their operational target in respect of the number of investigations closed but were slightly below target on the number of sanctions achieved. The speed with which fraud can be proven and action can be taken will vary from case to case, particularly where joint working with the DWP is involved.
- 5.2 It is recommended that Members note this report.

List of Appendices: None

Background papers: Fraud Case Files 2006/07

Officers Consulted: Corporate Team