

# Protecting the Public Purse

## Fraud Briefing 2014

Copeland Borough 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

Allerdale  
Ashfield  
Barrow-in-Furness  
Bassetlaw  
Bolsover  
Boston  
Cannock Chase  
Carlisle  
Chesterfield  
Copeland  
Eden  
Fenland  
Mansfield  
Newark and Sherwood  
North East Derbyshire  
North Warwickshire  
Redditch  
South Lakeland  
West Lancashire

# 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*)



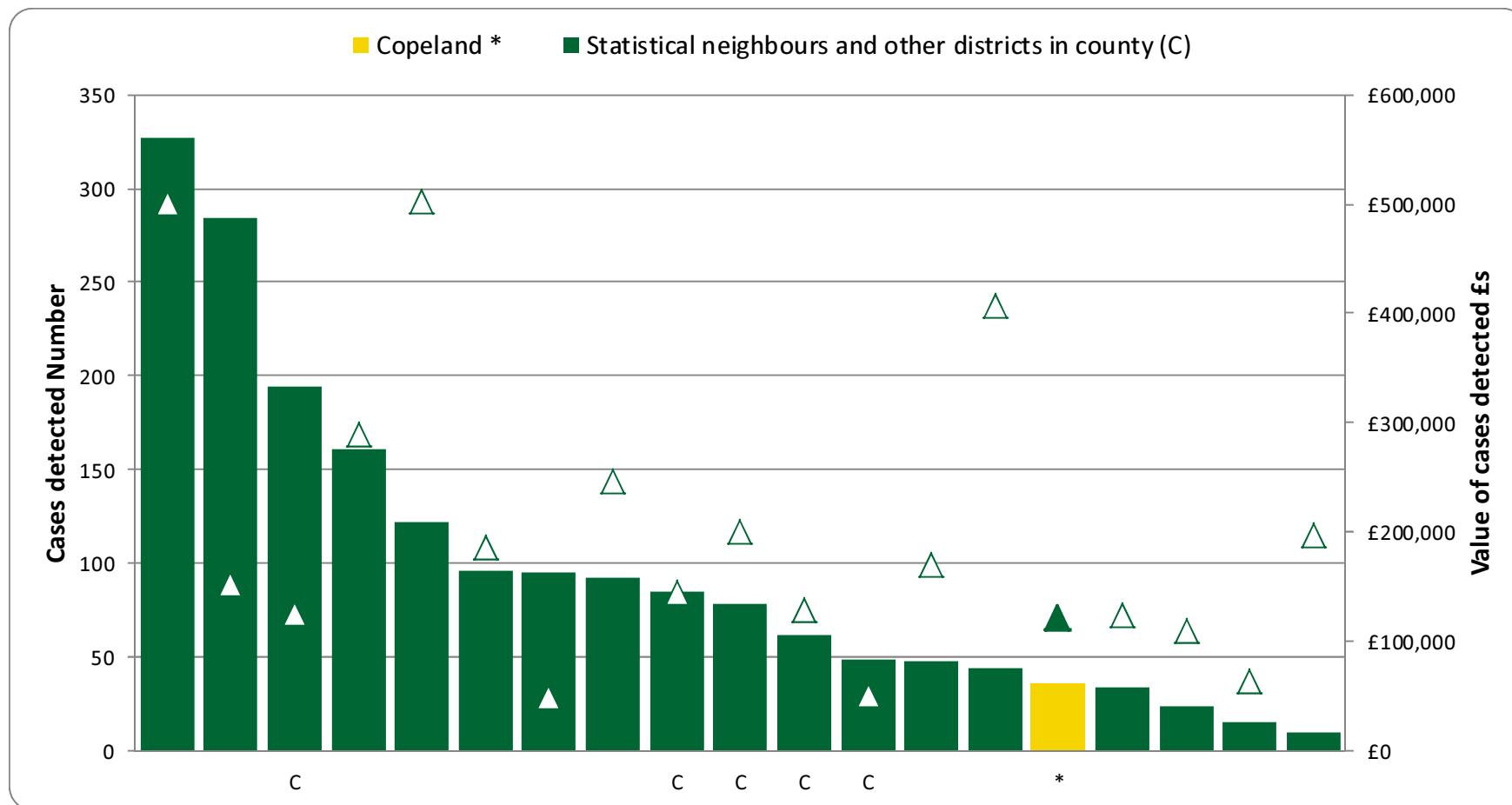
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



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)

## Copeland



Copeland detected 36 cases of fraud. The value of detected fraud was £121,402.

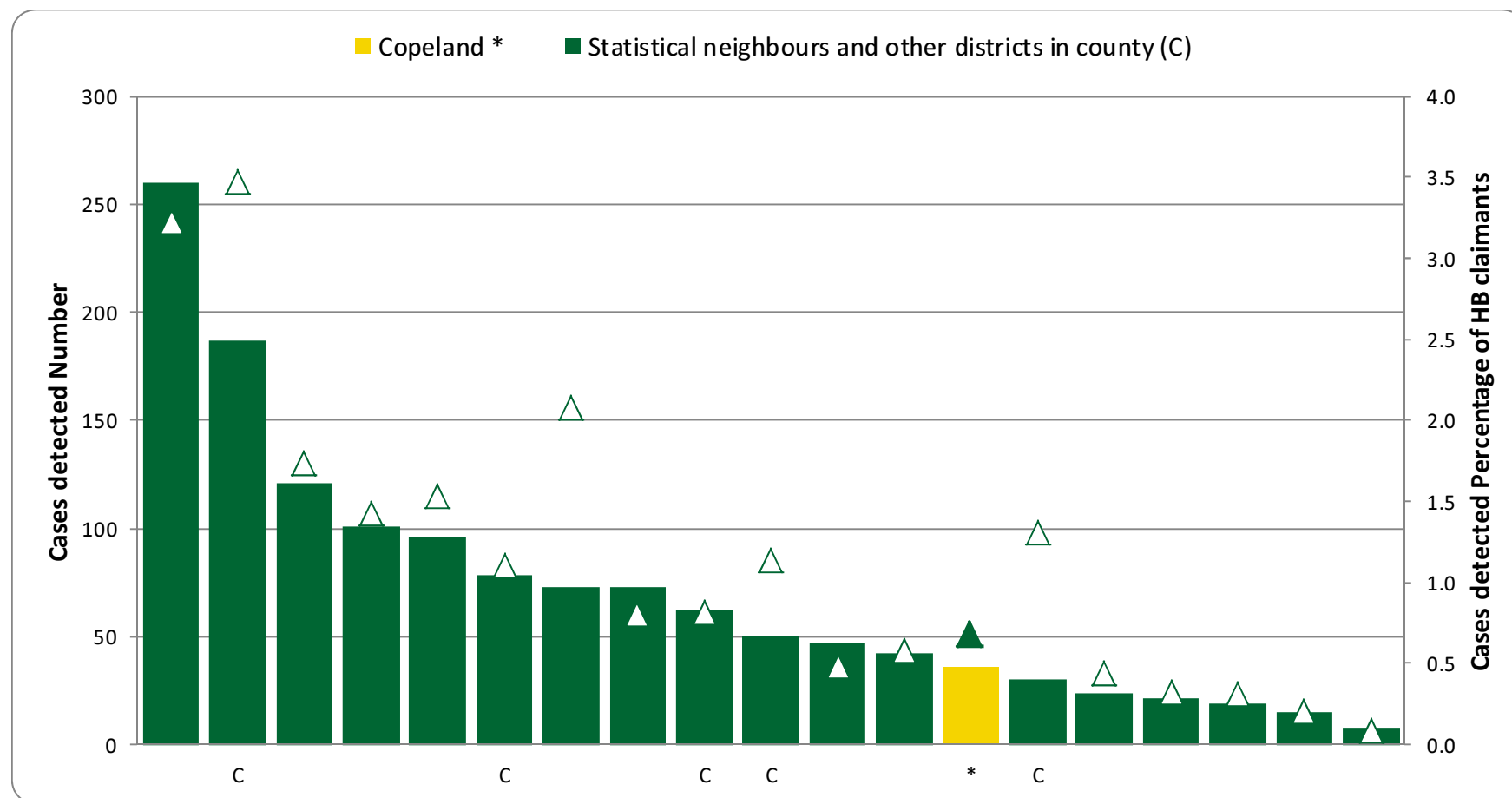
Average for statistical neighbours and county: 101 cases, valued at £202,628



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

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

### Copeland



Copeland detected 36 cases of this type of fraud. The value of detected fraud was £121,402.

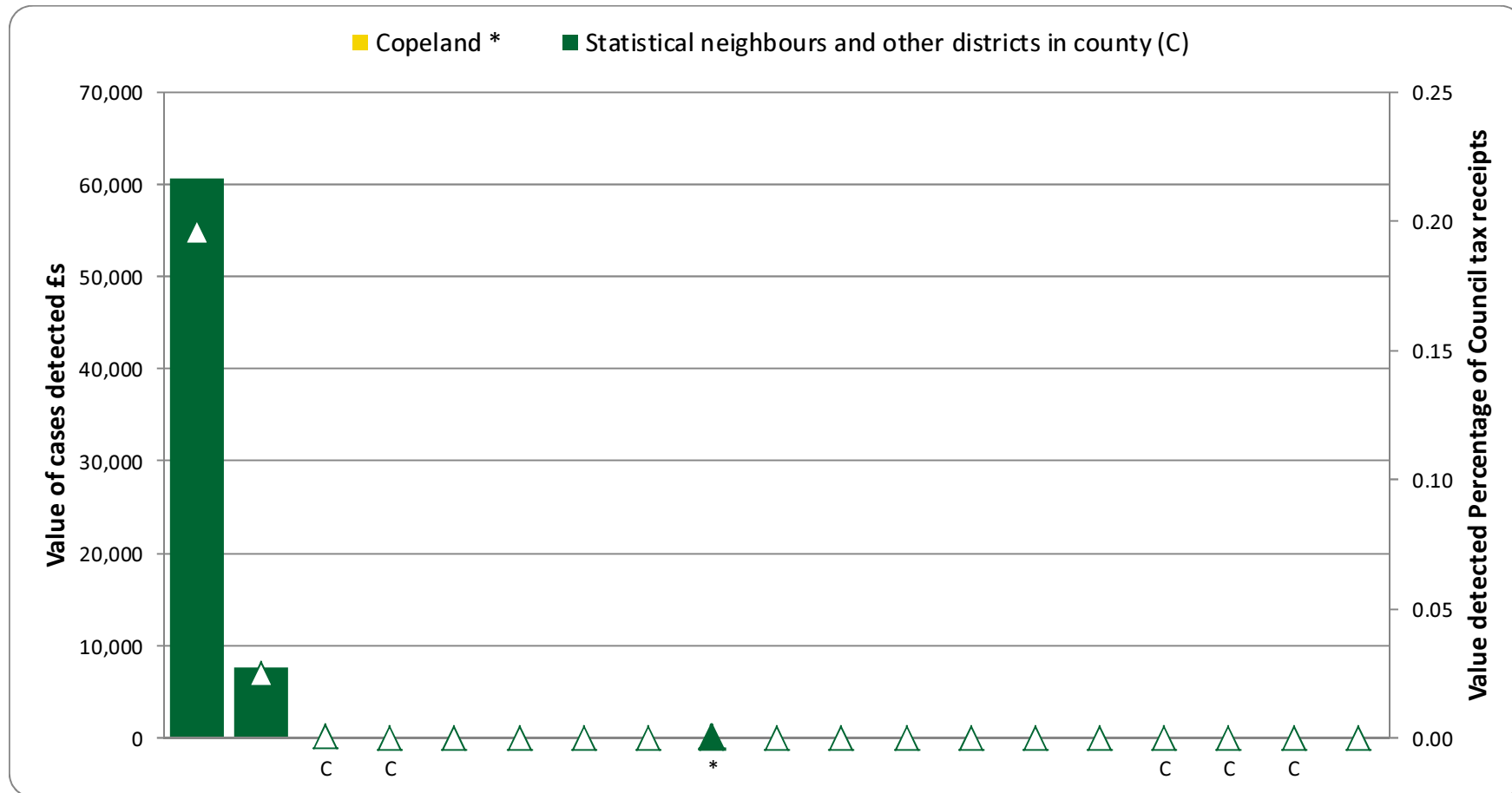
Average for statistical neighbours and county: 73 cases, valued at £201,462



# Council tax discount fraud 2013/14

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

### Copeland



Copeland did not detect any cases of this type of fraud.  
Average for statistical neighbours and county: 16 cases, valued at £3,801





## 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

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

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

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

### Copeland

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

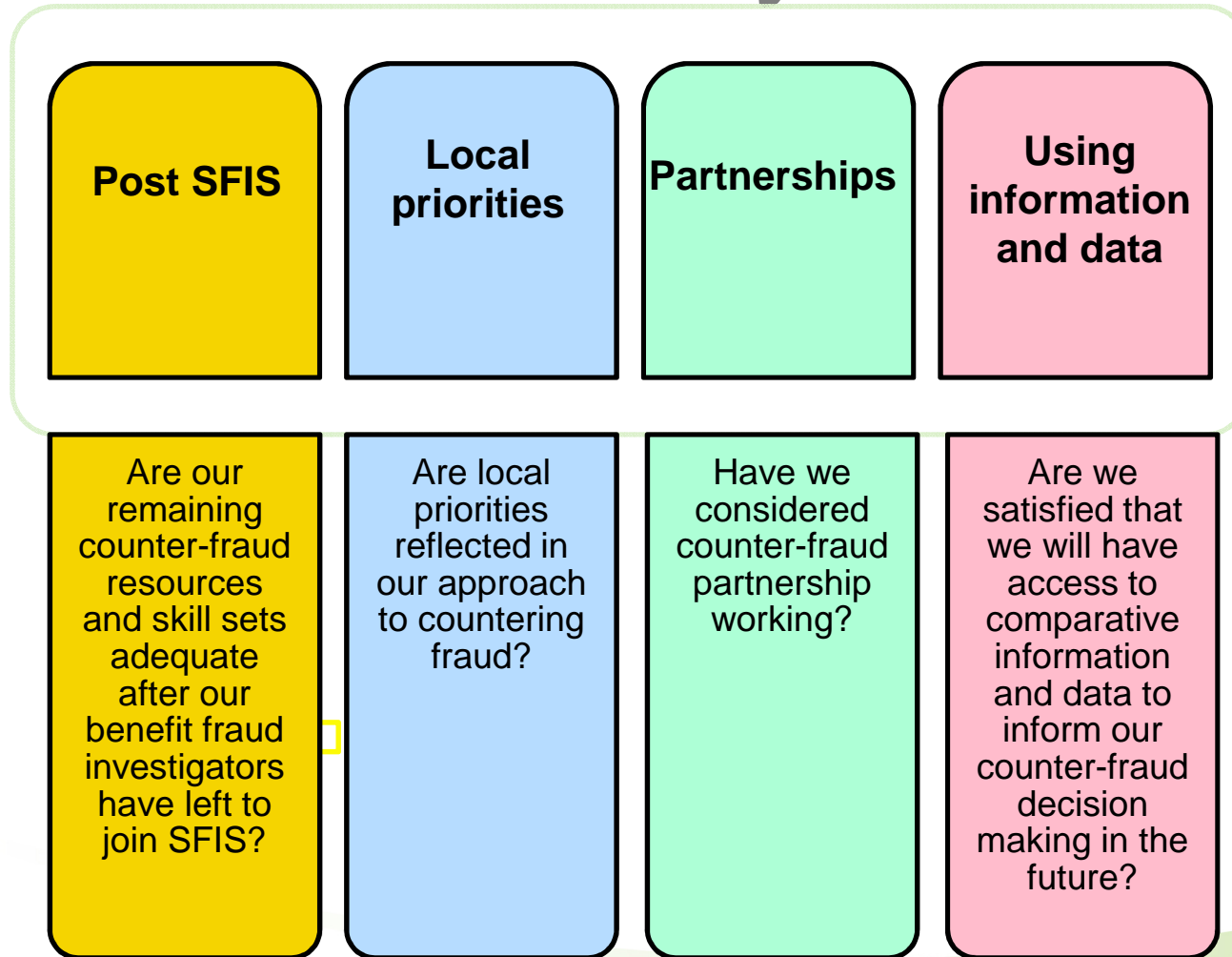
Insurance: Copeland did not detect any cases of this type of fraud.  
Total for statistical neighbours and county: 1 case, valued at £6,000

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

Internal: Copeland did not detect any cases of this type of fraud.  
Total for statistical neighbours and county: 5 cases, valued at £6,381

*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



# Any questions?



# Fighting Fraud Checklist for Governance

Protecting the public purse 2014

October 2014

i) General	Yes	No
1. Do we have a zero tolerance policy towards fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
3. Do we have dedicated counter-fraud staff?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
4. Do counter-fraud staff review all the work of our organisation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
8. Have we assessed our management of counter-fraud work against good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
9. Do we raise awareness of fraud risks with:		
• new staff (including agency staff)?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• existing staff?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• elected members?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• our contractors?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		

2014 Update	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
15. Do we have effective arrangements for:		
• reporting fraud?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• recording fraud?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
16. Do we have effective whistle-blowing arrangements? In particular are staff:		
• aware of our whistle-blowing arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confident in the confidentiality of those arrangements?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confident that any concerns raised will be addressed?	<input type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
17. Do we have effective fidelity insurance arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>ii) Fighting fraud with reduced resources</b>		
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
20. If successful, are we using the money effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>iii) Current risks and issues</b>		
<b>Housing tenancy</b>		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Previous action		
2014 Update		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>Procurement</b>		
23. Are we satisfied our procurement controls are working as intended?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
24. Have we reviewed our contract letting procedures in line with best practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>Recruitment</b>		
25. Are we satisfied our recruitment procedures that:		
• prevent us employing people working under false identities?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• confirm employment references effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• ensure applicants are eligible to work in the UK?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
• require agencies supplying us with staff to undertake the checks that we require?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>Personal budgets</b>		
26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>Council tax discount</b>		
28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		
<b>Housing benefit</b>		
29. When we tackle housing benefit fraud do we make full use of:		
• The National Fraud Initiative?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Previous action		
2014 Update		



<ul style="list-style-type: none"> <li>The Department for Work and Pensions Housing Benefit matching service?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>internal data matching?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>private sector data matching?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<b>iv) Other fraud risks</b>		
<b>30. Do we have appropriate and proportionate defences against the following fraud risks:</b>		
<ul style="list-style-type: none"> <li>business rates?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>Right to Buy?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>council tax reduction?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>schools?</li> </ul>	(a)	(b)
Previous action		
2014 Update		
<ul style="list-style-type: none"> <li>grants?</li> </ul>	(a)	(b)
Previous action		
2014 Update		

Source: Audit Commission (2014)

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