

FRAUD SECTION MONITORING REPORT: LAST QUARTER 2007/08

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1.0 FRAUD WORK IN THE LAST QUARTER 2007/08

1.1 Caseload investigated 1st Jan 08 to 31st Mar 08

Number of cases referred:	62
Number of cases accepted for investigation:	40
Number of cases closed non-proven:	43
Number of cases summonsed for prosecution:	1
Number of successful prosecutions:	0
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	1
Number of Cautions given:	6

2.0 PROGRESS AGAINST TARGETS

- 2.1 The Department of Work and Pensions (DWP) set an annual target based on the Benefits live caseload. To enable comparisons with other Local Authorities, these targets are set per 1000 caseload. In 2007/08, the annual target for the number of investigations carried out is 41.2 per 1000 caseload. Based on the average Benefits caseload of 6,664, this is a target of 275 investigations for the year, i.e. 69 per quarter.
- 2.2 The target for sanctions (successful prosecutions, Administrative Penalties, Cautions) is 4 per 1000 caseload. In order to meet the annual target, we should be looking at achieving 27 sanctions, i.e. 7 per quarter.
- 2.3 There is no set target for the number of investigators. We have 3 fraud investigation officers, including the team leader. This is in line with the number at similar-sized District Councils.

2.4 For the fourth quarter 1 January to 31 March we have achieved:-

	<u>Quarter</u>		<u>Annual</u>	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
No of investigations closed	69	74	275	422
No of sanctions *	7	7	27	39

- * 1 Administrative Penalty and 6 Cautions in the last quarter.
- * 8 Administrative Penalties, 25 Cautions and 6 Prosecutions for the year.

2.5 The annual targets were exceeded within the first three quarters. Progress was slower in the last quarter. One of the main factors was the lack of referrals from the Housing Benefits Matching Service (HBMS), due to security problems with data transfers. It would appear this has now been resolved and referral figures should improve.

2.6 As a result of their investigations in the fourth quarter, the fraud team have identified benefits overpayments of £5,660.27. For the period from April to March overpayments arising from identified fraud total £89,114.58. The Revenues and Benefits Recovery team will pursue recovery of these overpayments. We also had 3 benefit claims cancelled by the claimants in this quarter, after the investigations were conducted, but sanctions were not applied for varying reasons. The financial implications in these cases cannot be judged.

2.7 Administrative Penalties amounting to £353.24 were given to fraudulent claimants in the fourth quarter. This income will be reinvested in fraud investigation activities but will not be recovered until all the benefit overpayment has been repaid.

3.0 STAFFING ISSUES

3.1 The section is fully staffed with a Team Leader, 2 investigators and an Admin Support Officer. Prosecutions are being handled by our Legal Section.

3.2 Changes in the Welfare Reform Act will now allow Local Authorities to prosecute national benefit offences from April 2008. It is recommended that all investigation staff undertake an overview training programme in the administration of these benefits.

4.0 CURRENT FRAUD WORK

4.1 As at 31/03/08, the Fraud Section has a caseload of 113 live investigations.

4.2 The National Fraud Initiative exercise is nearly completed. The final return to the Audit Commission was sent in January. The exercise highlighted incorrect payments totalling £13,913.54. The majority of this will be recovered. There are still 21 outstanding cases to be cleared. We are waiting for information from other agencies to process these. These cases do not form part of the live caseload of current investigations.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 The Fraud Team have performed exceptionally well in 2007/08 and exceeded the DWP targets.
- 5.2 Members are recommended to note this report.

Officers Consulted: Corporate Team