

FRAUD SECTION MONITORING REPORT: THIRD QUARTER 2007/08

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1.0 FRAUD WORK IN THE THIRD QUARTER 2007/08

1.1 Caseload investigated 1st October to 31st December 2007

Number of cases referred:	87
Number of cases accepted for investigation:	61
Number of cases closed non-proven:	59
Number of cases summonsed for prosecution:	0
Number of successful prosecutions:	1
Number of prosecutions found "Not guilty":	0
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	1
Number of Cautions given:	7

2.0 PROGRESS AGAINST TARGETS

- 2.1 The 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 current average Benefits caseload of 6,705, this is a target of 276 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. This means an annual target of 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.

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2.4 For the third quarter 1 October to 31 December we have achieved: -

	Quarter		April-Dec	
	<u>Target</u>	<u>Actual</u>	<u>Target</u>	<u>Actual</u>
No. of investigations closed	69	116	207	347
No. of sanctions*	7	9	21	32

* 1 Administrative Penalties, 7 Cautions, 1 Prosecution in the 3rd quarter,

* 7 Administrative Penalties, 19 Cautions, 6 Prosecutions for the period April to December 2007.

2.5 The annual targets have been exceeded within the first 3 quarters to 31 December. Progress will be slower in the final quarter, with investigations being in the early stages. There is no way of knowing how long an investigation will take and if, indeed, it will result in a sanction.

2.6 As a result of their investigations in the third quarter, the fraud team have identified benefits overpayments of £26,173.26. For the period April to December, benefits overpayments arising from identified fraud total £83,454.31. The Revenues and Benefits recovery team will pursue recovery of these overpayments. We also had 2 benefits claims cancelled by the claimant this quarter, after the investigations were conducted, but sanctions were not applied in these cases as there was insufficient evidence to proceed. The financial implications in these cases cannot be judged.

2.7 Administrative Penalties amounting to £644.15 were given to fraudulent claimants in the third quarter. 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 The section is fully staffed with a Team Leader, 2 investigators and an Admin Support Officer.

3.2 Prosecutions are being handled by our Legal Section.

4.0 **CURRENT FRAUD WORK**

4.1 As at 31/12/07, the Fraud Section had a caseload of 127 live investigations.

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- 4.2 Work continues on the National Fraud Initiative 2006/07 data matches. The third return to the Audit Commission was due in January, to report progress made to that date. From an initial sift of the data matches, there have been 29 cases which have satisfied the criteria for further investigation. 27 of these are in addition to the live caseload figure given at 4.1 above. Once any actions are taken on the cases, they will be entered on to the Fraud Case Management system.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 The Fraud team have performed well in the year to date and the annual targets set by the DWP have already been exceeded.
- 5.2 Members are recommended to note this report.

Officers Consulted: Corporate Team