

FRAUD SECTION MONITORING REPORT: FOURTH QUARTER 2008/09

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1.0 FRAUD WORK IN THE FOURTH QUARTER 2008/09

1.1 Caseload investigated 1st Jan 09 to 31st Mar 09

Number of cases referred:	89
Number of cases accepted for investigation:	73
Number of cases closed non-proven:	80
Number of cases summonsed for prosecution:	2
Number of successful prosecutions:	4
Number of prosecutions found "Not guilty":	1
Number of prosecutions rejected:	0
Number of Administrative Penalties (fines) given:	2
Number of Cautions given:	3

2.0 PROGRESS AGAINST TARGETS

2.1 The Department of Work and Pensions (DWP) have not set targets for this financial year but our results are still recorded and reported to them. To record ongoing progress we set our own targets based on the Benefits live caseload and the previous statutory targets. To enable comparisons with other Local Authorities, the figures are set per 1000 caseload. In 2008/09, the annual target for the number of investigations carried out is 41.2 per 1000 caseload. Based on the average Benefits caseload for the year, of 6669, this is a target of 275 investigations for the year, i.e. 69 per quarter.

2.2 Based on the average caseload, we need to achieve an annual target of 27 sanctions (Prosecutions, Admin Penalties or Cautions), 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	80	275	263
No of sanctions *	7	10	27	39

* 2 Administrative Penalties, 3 Cautions and 4 Prosecutions in the last quarter plus 1 unsuccessful prosecution.

* 9 Administrative Penalties, 17 Cautions and 13 Prosecutions for the year.

2.5 The targets were exceeded for this quarter. The number of investigations closed has also risen considerably from the previous quarter due to more referrals having been received from the Housing Benefits Matching Service (HBMS).

2.6 As a result of their investigations in the fourth quarter, the Fraud Team have identified benefits overpayments of £17,194.18. For the period from 1st April 2008 to 31st March 2009, overpayments arising from identified benefit overpayments of £84,447.54. The Revenues and Benefits Recovery team will pursue recovery of these overpayments. We also had 6 benefit claims cancelled by the claimants in this quarter after full 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 £135.03 were given to fraudulent claimants in the fourth quarter. Administrative Penalties for the year totalled £1754.39. This income will be reinvested in fraud investigation activities but will not be recovered until all the benefit overpayment has been repaid.

2.8 Changes in the Welfare Reform Act allowed Local Authorities to prosecute national benefit offences from April 2008, for example, where the DWP had decided to take no action. However, this has not been necessary in this financial year.

3.0 STAFFING ISSUES

3.1 The section is fully staffed with a Team Leader, 2 Investigators and an Admin Support Officer. Prosecutions are handled by our Legal Section or, where there is a joint prosecution with the DWP, by the Solicitors Branch of the DWP.

4.0 CURRENT FRAUD WORK

- 4.1 As at 31/03/09, the Fraud team has a caseload of 105 live investigations.
- 4.2 The results from the National Fraud Initiative (NFI) exercise were received at the end of February. The results are in the form of over a thousand data matches, where data held on one system (e.g. the Council's Benefits system) does not match data held on another system (e.g. the DWP's Pensions database). These results are now being sifted and prioritised for investigation. The actual investigation process will commence in April. We often require information from other agencies to process these. These cases are not included in the referral figures and do not form part of the live caseload of current investigations unless we find evidence to suggest it is a fraudulent claim to benefit from the Local Authority. The investigation outcome of all these matches is also separately recorded and reported back to the Audit Commission, via the NFI's own website.

5.0 CONCLUSION AND RECOMMENDATION

- 5.1 The Fraud Team have again performed exceptionally well in 2008/09 and have exceeded the target for sanctions applied, contributing to the reduction of fraud in the Benefits system.
- 5.2 Members are recommended to note this report.

Officers Consulted: Corporate Team