

ISLE OF ANGLESEY COUNTY COUNCIL

COMMITTEE:	AUDIT COMMITTEE
DATE:	10 DECEMBER 2014
TITLE OF REPORT:	REVISED COUNTER FRAUD ARRANGEMENTS
PURPOSE OF REPORT:	FOR INFORMATION
REPORT BY:	AUDIT MANAGER
ACTION:	NONE

1. INTRODUCTION

As reported verbally to the Audit Committee at its meeting held on 07 November 2014 there has been a revision in the Council's counter fraud arrangements which in part have been necessary due to national changes in how Housing Benefit fraud is identified, investigated and prosecuted.

This report details the revisions that have been put in place in response to the changes.

2. SINGLE FRAUD INVESTIGATION SERVICE (SFIS)

On the 1st November 2014 the Department for Work and Pensions Single Fraud Investigation Service (SFIS) took responsibility for the investigation of all "benefit" fraud investigations being conducted by the Isle of Anglesey County Council. This resulted in one of the authorities investigators transferring to the SFIS team and the other investigator was appointed to the new role of Corporate Counter Fraud Officer (CCFO) within the Internal Audit Service.

In effect this means that the Authority will no longer investigate Housing Benefit (HB) fraud, this function now being carried out by the SFIS. However SFIS will not investigate Council Tax Reduction Scheme (CTRS) fraud offences as this is not classed as a "benefit", therefore it is envisaged that the Counter Fraud Officer will investigate CTRS offences. At this time it is not clear whether SFIS will partake in joint HB and CTRS fraud investigations in the future.

The DWP are aware that a great number of fraud referrals were generated by HB staff and they are conscious that following the transfer of internal benefit investigator to SFIS referrals may reduce considerably, so to counter this the DWP intend to instigate a financial reward scheme where the authority's Benefit section will be paid a fixed sum for each referral.

The transfer of HB fraud investigations out of the jurisdiction of Authorities will have an effect on the HB administration staff, as they will be required to confirm to the SFIS team whether or not a customer is in receipt of HB and if so they will have to provide details of the claim and also copies of the claim form and correspondence, this function had been carried out by the Benefit Fraud Team in the past.

3. REVISED COUNTER FRAUD ARRANGEMENTS

With the creation of the Corporate Counter Fraud Officer post it is envisaged that the post holder will investigate CTRS offences and other Council Tax offences. It is planned that in consultation with the Housing Service that the CCFO will investigate incidents of tenancy fraud that may be identified by the Housing Service. The CCFO will also become responsible for the investigation of any possible fraud offences that

may be referred to the Internal Audit Service or identified by them during their routine auditing duties.

In addition to the traditional reactive measures mentioned above, it is intended that the CCFO will have a more proactive role in Corporate Fraud prevention and create a corporate framework geared towards creating a culture of fraud awareness and prevention within the Authority.

It is intended that an initial priority for the CCFO will be to liaise with all Services within the authority to produce a corporate fraud risk assessment. This risk assessment will be utilised to assist in formulating policies that will reduce losses to the Council and ultimately to the public purse. In addition the CCFO will facilitate fraud awareness training in relation to forged and counterfeit documents that may be produced for identification etc.

Audit Manager
November 2014