

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE – 26 SEPTEMBER 2017

Title:

FRAUD INVESTIGATION SUMMARY

[Wards Affected: All]

Summary and purpose:

The report provides an update to the Committee on the progress made by Waverley Borough Council officers on the work being completed in investigating all types of fraud, primarily focusing on Housing Tenancy fraud, enhanced by the co-operation and supported by all the members of the Surrey Counter Fraud Partnership and extended partners including Registered Social Landlords.

How this report relates to the Council's Corporate Priorities:

Internal Audit work and other fraud initiatives contribute to the safeguarding of assets against loss and waste. This contributes to the corporate priority of Value for Money.

Resource/Value for Money implications:

Through the detection of instances of fraud, the Council's resources are better safeguarded thus improving value for money by reducing the waiting list for homes and ensuring that members of the public are only provided with housing and other services that they are entitled to including Council Tax and Business Rates discounts. Housing Revenue Account funds have supported this work through providing funding that has been utilised at Waverley to obtain the services of an experienced Fraud Investigator.

Legal Implications:

It is the Council's duty to safeguard public funds, and there may be legal costs in taking any matters to prosecution. However, these costs are far out weighed by the Council's belief that fraud perpetrated against the council and its tax payers will not be tolerated and there are tangible and intangible benefits of the recovery of HRA properties.

Introduction

1. This report provides the Audit Committee with an update on the progress being made on fraud investigations that are being completed. As part of the Surrey Counter Fraud Partnership (SCFP) 8 Surrey councils and other social housing providers are working together, including attendance at relevant sub groups in collaboration to fight fraud and share information, ideas and achievements. The SCFP and its partners have signed up to Information Sharing Protocols to facilitate data matching exercises between members. Waverley has obtained the services of an experienced Fraud Investigator

focusing on Housing Tenancy Fraud since March 2015, the success of the work completed has been supported by the introduction of the Prevention of Social Housing Fraud Act 2013 where the maximum penalty is up to 2 years imprisonment or a fine (or both) and the continued support of the council to fund this post, until 2019.

Details of Results

2. A summary of the volumes of cases being investigated is detailed in Annexe 1, for activity up until the end of Quarter 1, 30 June 2017. The Audit Committee are provided with updates at each committee meeting throughout the year. Results are also collated and provided to Surrey County Council to enable these to be cascade to the Surrey Treasurers and used for publicising the partnerships successes.
3. For comparison purposes, the inclusion of final figures for 2016/17 have been provided, however at this point in time the monetary values appear low. This is due there being no right to buy applications involved in the 1st quarter of the year where the maximum right to buy discount is £78,600, in comparison to the £18,000 use for others areas of housing services activity.
4. In this period, results include 1 property being relinquished, and has been made available to be re-let to tenants on our waiting list. This was due to the properties not being occupied by the tenant in accordance with the Tenancy Agreements terms and conditions, or the tenancy was originally obtained by providing inaccurate information. In the other 3 instances the tenant/s either withdrew their application for housing/succession or refused the right for the application to continue due to the inaccuracies of the information provided on the application not reflecting the true circumstances of the applicants.
5. An increase in Housing staff training and awareness has enabled cases to be dealt with more confidently and efficiently, however work continues to embed new ideas and processes to safeguard our assets. Cases that require further investigation or legal intervention from other bodies are also continuing to progress. Opportunities that occur that enables members of the public to be made aware that we will not tolerate fraud will be taken where appropriate and where properties have been recovered as part of our action will act as a deterrent to others that may consider committing fraud against us.

Conclusion

6. The Fraud Investigation Officer, supported by the Internal Audit Client Manager, will continue to investigate the cases reported and introduce enhancements to policies and procedures to maintain strong working practices, and where possible liaise with others in the council and in the partnership to maximise successful outcomes. The housing team also continue to raise awareness with tenants that breaches of tenancy agreements will not be tolerated and this will assist in minimising the risk of fraudulent activity.

7. The value of financial savings detailed in Annexe 1 for Quarter 1 of 2017-18, is currently £72,990 based on Audit Commission notional figures. However, these notional figures do not include the real value to Waverley Borough Council, as it costs on average £200,000 to build a new house. When tenancies are relinquished or those that are not applicable for social housing these are then allocated to those on our housing waiting list who fulfil the necessary criteria. These outcomes not only highlights the fundamental financial value of continuing to support the work being carried out but the ethical importance to ensure that only those that qualify for social housing are successful, and by securing the return of properties back into housing stock helps Waverley to meet the needs of legitimate housing applicants.
8. The increased utilisation of data matching within the SCFP is hoped to enhance the work already completed as part of the National Fraud Initiative (NFI) and assist in identifying any issues promptly and prevent the continuation of fraudulent practices.

Recommendation

That the Audit Committee notes:-

1. the success of the investigation activity and the results achieved; and
2. the Council's participation in the Surrey Counter Fraud Partnership data matching exercises and the work to be completed to assist in identifying fraudulent activities throughout the council's services not currently covered through the NFI.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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