

WAVERLEY BOROUGH COUNCIL
AUDIT COMMITTEE – 4 MARCH 2019

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 fraud, primarily focusing on Housing Tenancy fraud.

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

Internal Audit and fraud investigation work initiatives contribute to the safeguarding of assets against loss and waste. This work contributes to all our corporate priorities and mission "to deliver excellent and affordable service by using our resources wisely and working creatively". However, it does have a direct contribution to the priority of people, with the number one goal to "deliver housing options for people in need of affordable housing services and continue to be one of the most effective housing services in the country at preventing homelessness".

Resource/Value for Money implications:

Through the detection of instances of housing related fraud, the Council's resources are better safeguarded thus improving value for money and reducing the waiting list for homes. This work ensures that members of the public are only provided with housing and other services that they are legally entitled to or using them in accordance with tenancy agreement terms and conditions. As a by-product of the fraud investigation officers cases changes to Council Tax and Business Rates discounts may materialise. The Housing Revenue Account supports this work by resourcing the role of an experienced Fraud Investigator.

Legal Implications:

It is the Council's duty to safeguard public funds; the work being completed may incur legal costs where matters escalate to prosecution. However, these costs are far outweighed 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 by stopping fraudsters receiving services that they are not entitled to.

Introduction

1. This report provides the Audit Committee with an update on the progress being made on fraud investigations that are being carried out. As part of this work we continue to share ideas and information with other Surrey councils and other social housing providers, including attendance at relevant sub groups in collaboration to fight fraud and share information, ideas and achievements. All parties involved in this work sign up to Information Sharing Protocols to facilitate data matching exercises between members to identify anomalies that could be an indicator of fraudulent practices. Waverley has one experienced Fraud Investigator dedicated to working on this activity. 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).

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 3, 31 December 2018. The Audit Committee are provided with updates throughout the year. Our 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 success of the partnership.
3. For comparison purposes, as requested by the Audit Committee, the previous year outcomes have also been provided.
4. In this period, results include 4 properties being relinquished, and these have now been made available to be re-let to tenants on our waiting list. These were 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.
5. An increase awareness of Housing staff and training has enabled cases to be dealt with more confidently and efficiently. This has lead to a reduction in cases being referred to the fraud investigation officer, which supports the work being completed to continue to embed new ideas and processes to safeguard our assets to improve the processes and controls in place to minimise the opportunity for fraudulent practices to be successful.

Conclusion

6. The Fraud Investigation Officer, supported by the Internal Audit Manager, will continue to investigate the cases reported and introduce, where applicable, enhancements to policies and procedures to maintain effective working practices meet regularly with the Housing team to develop and improve current policies and procedures. Where the need arises we will work closely with other officers in the council and in the partnership with others to achieve successful outcomes. The housing team support this work by informing

tenants that breaches of a tenancy agreement will not be tolerated and this also assists in minimising the risk of fraudulent activity occurring.

7. The notional value of financial savings detailed in Annexe 1 up to 31 December 2018, is **£189,710** based on Audit Commission notional figures. However, these do not include the real value to Waverley Borough Council, as it costs on average £200,000 to build a new house (£600,000). Outcomes from this work not only highlight the fundamental financial value of continuing to support the work being carried out but the ethical and social responsibility importance to ensure that only those that qualify for social housing are successful. By securing the return of properties back into housing stock helps Waverley to meet the needs of legitimate housing applicants.

Recommendation

It is recommended that the Audit Committee notes the success of the housing fraud investigation activity with the results achieved and the improvements in processes to limit the opportunity for fraudulent housing tenancy practices to occur in the future.

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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