

WAVERLEY BOROUGH COUNCIL
AUDIT COMMITTEE – 24 SEPTEMBER 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 safeguarded thus improving value for money and reducing the waiting list for homes. This work aims to ensure that members of the public are only provided with housing and other services that they are legally entitled and using them in accordance with tenancy agreement terms and conditions. As a by-product of the fraud investigation officers caseload 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 far outweighed by the Council's stance that fraud perpetrated against the council and its taxpayers will not be tolerated. 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. As part of this work we continue to share ideas and information with other Surrey councils and other social housing providers. This includes attendance at relevant sub groups in collaboration to fight fraud and share information, ideas and achievements. All parties involved sign up to Information Sharing Protocols (ISP) to facilitate data matching exercises between members to identify anomalies that could be an indicator of fraudulent practices. 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).
2. Also included in the Annexe 1 is the National Fraud Initiative (NFI) outputs which assists in identifying any instances where applicants remain on our records as requiring housing but have been adequately housed by other housing providers. So can be removed from our own waiting list.
3. For comparison purposes, as requested by the Audit Committee, the previous year outcomes have been included. It should however be noted that due the Cabinet Office revising the method of calculation of fraud categories the partnership have now adopted these from 1st April 2019 some variances had materialised.
4. In this period, results include 1 property being relinquished, and this has now been made from available to be re-let to tenants on our waiting list. This was due to the property not being occupied by the tenant in accordance with the Tenancy Agreement terms and conditions.
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 and 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 30 June 2019, is £411,736, of which £258,530 relates to National Fraud Initiative, the balance of £153,206 based on Cabinet Office figures related directly to housing fraud. However, these indicative values do not include the real value to Waverley Borough Council, as it costs on average £200,000 to build a new house (£200,000). 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 fraud investigation activity.

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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