

To the Chair and Members of the Audit Committee

**PREVENTING AND DETECTING FRAUD AND ERROR – APRIL 2016 to
SEPTEMBER 2017**

EXECUTIVE SUMMARY

1. This attached Report summarises the work done by the Council during the period April 2016 to September 2017 to prevent, detect and investigate fraud and corruption in line with the Government's *Fighting Fraud and Corruption Locally* Strategy, minimise errors whether caused by fraud or not.
2. The report shows that the overall incidence of fraud remains very low in general terms, taking into account the scale of the Council's activities. Proactive counter fraud activities to prevent and detect fraud and error early continue to be a big focus in the Council's strategy, and the results of the proactive activity now surpass the results of reactive, referral based investigative work.
3. Fraud and error highlighted in the report include:

• 782 Council Tax Single Persons Discounts cancelled	£195,500
• 3 prosecutions, 4 cautions and 3 pending cases relating to blue badge fraud.	----
• Housing Benefit – Fraud and Error Recovery Incentive Scheme (FERIS)	£15,744
4. Additionally, proactive checks by the Council have prevented duplicate payments of £2.8m being made.

EXEMPT REPORT

5. This report is not exempt.

RECOMMENDATIONS

6. The Audit Committee is asked to note the production of the Fraud Response Report and agree to appropriate publicity being produced to highlight the outcomes from the Council's anti-fraud activity and to act as a deterrent to fraud.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

7. Fraud and corrupt activity divert scarce resources away from Council services. The cost the tax payer money that could have been used for the benefit of local citizens. Maintaining a strong counter fraud stance helps to minimise fraud losses and deter fraudulent activity

BACKGROUND

8. The production of an annual fraud response report, which details the work done to counter fraud and corruption, is in line with good practice recommended by CIPFA. Doncaster Council aims to foster a zero tolerance approach to fraud and seeks to educate staff on identifying fraudulent behaviour, educate managers to assess the risks of fraud in their areas and to detect and investigate fraud where it is identified. The Council's commitment to combatting fraud and corruption is contained in the Anti-Fraud and Corruption Framework which is approved by the Audit Committee.

OPTIONS CONSIDERED AND REASON FOR RECOMMENDED OPTION

9. Not applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</p>
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	<p>None</p>
	<p>All families thrive.</p> <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster's vital services</i> 	<p>None</p>
	<p>Council services are modern and value for money.</p>	<p>The safeguarding of public monies and the recovery of overpayments (fraud and error), ensures that monies are available to fund essential services and reduce the pressure on the Council's finances.</p>

	Working with our partners we will provide strong leadership and governance.	Working with our partners to combat fraud and corruption is important to protect the overall public purse. The Council works with St Leger Homes to combat tenancy fraud and actively participates in the National Fraud Initiative to identify and combat fraud across the public sector.
--	---	--

RISKS & ASSUMPTIONS

10. Failure to address fraud and corruption risks causes:-

- reputational damage to the Council from fraud and corrupt practices;
- diverts scarce resources away from priority services to the detriment of our citizens

LEGAL IMPLICATIONS

11. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in the Annual Fraud Report under the requirements of the Transparency Agenda. This information will be published on the Council's website.

FINANCIAL IMPLICATIONS

12. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery.

HUMAN RESOURCE IMPLICATIONS

13. None

TECHNOLOGY IMPLICATIONS

14. None

EQUALITY IMPLICATIONS

15. Every citizen in Doncaster is affected by fraud both as a result of fraud committed against them and fraud committed against the Council. Whilst every citizen is affected, fraudsters generally target citizens with protected characteristics such as the young, the elderly, those with mental health issues or those with learning disabilities.

CONSULTATION

16. None

BACKGROUND PAPERS

17. The Council's Anti-Fraud and Corruption Framework

REPORT AUTHOR & CONTRIBUTORS

Colin Earl, Head of Internal Audit,
Tel 01302 862939 E-mail - colin.earl@doncaster.gov.uk

Appendices

Appendix 1 – Preventing and Detecting Fraud and Error – April 2016 to September 2017.

Steve Mawson
Chief Financial Officer &
Assistant Director of Finance