



# City of Doncaster Council

## Report

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Date: 26<sup>th</sup> January, 2023

To: The Chair and Members of the Audit Committee

Report Title: Preventing and Detecting Fraud and Error Report October 2021 to September 2022.

### EXECUTIVE SUMMARY

1. The attached report summarises the work done by the Council during the period October 2021 to September 2022 to prevent, detect and investigate fraud and corruption in line with the Government's Fighting Fraud and Corruption Locally Strategy and 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 focus in the Council's strategy.
3. The fraud landscape continues to change and the period saw the likely end of Covid related business support grants with previously established checks continuing on all payments made. However, as the cost of living crisis continues to bite, fraud risks generally increase as the amount of monies available to individuals and businesses falls.
4. The report includes (as it has in previous years) information that is required to be published under the Transparency Agenda and includes information about the Council's approach to tackling fraud, corruption and error and how the Council's activities are arranged / set up.

5. Fraud and error highlighted in the report includes:

- |                                                                                                                          |          |
|--------------------------------------------------------------------------------------------------------------------------|----------|
| • Actual savings from the 2021/22 National Fraud Initiative for Council Tax data                                         | £3,769   |
| • 851 cancelled Council Tax Single Person's Discounts as a result of our rolling programme of checks (value is estimated | £215,208 |

based on the additional tax collectable through cancellation)

- Housing Benefit – 199 cases referred to the Single Fraud Investigation Service (Department for Work and Pensions) for investigation with 79 Direct Earnings Attachments to recover historically written off debt. Debt recovered has been listed to the right. £521,494
- Prevented invoice duplications and invoices identified for recovery from our regular and ongoing creditor invoice matching £130,679
- Prevented 17 overpayments on pension payments as a result of ongoing data matching (estimated notional value) £50,582
- Identified 2 additional business rates covid grants frauds for recovery £9,867
- Recovered monies for the Government on business rates covid grants £218,990\*

Comparative information is provided where possible in the main body of the report. This doesn't raise any concerns and overall processes and systems are effective and fraud levels remain very low.

\*Performance in the administration of Business Rates Grants from the Covid – 19 pandemic and investigation of fraud in this area is considered excellent.

- Total Grants Paid £111,762,113
- Fraud / Error detected over full period £678,977  
= 0.6% of grants paid
- Recovery Remaining £363,875  
= 0.3% of grant paid

## EXEMPT REPORT

6. This report is not exempt.

## RECOMMENDATIONS

7. The Audit Committee is asked to support the production of the Preventing and Detecting Fraud and Error 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?

8. Fraud and corrupt activity divert scarce resources away from Council services. They cost the taxpayer 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

9. The production of an annual fraud response report, which details the work done to counter fraud and corruption, is in line with the requirements of the Fighting Fraud and Corruption Locally Strategy for local government. Doncaster Council adopts a risk based 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




10. Not applicable.


## REASONS FOR RECOMMENDED OPTION

11. Not applicable.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

12.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓
 Developing the skills to thrive in life and in work				✓
 Making Doncaster the best place to do business and create good jobs	✓			
<p>Comments:</p> <p>Fraud and error reduces the money available to the public purse and, therefore, has an impact on the Council's ability to provide services and develop Doncaster for its citizens. Blue badge fraud has a direct negative impact on the available</p>				

parking spaces in the town centre for individuals with reduced mobility.					
	<b>Building opportunities for healthier, happier and longer lives for all</b>				✓
	<b>Creating safer, stronger, greener and cleaner communities where everyone belongs</b>				✓
	<b>Nurturing a child and family-friendly borough</b>				✓
	<b>Building Transport and digital connections fit for the future</b>				✓
	<b>Promoting the borough and its cultural, sporting, and heritage opportunities</b>				✓
	<b>Fair &amp; Inclusive</b>				✓
Comments:					

**Legal Implications [Officer Initials: SRF | Date: 16/01/23]**

13. The Council is obliged to minimise the loss of resources resulting from fraud and corruption. It is also obliged to publish the data in this report under the requirements of the Government's Transparency Agenda which assists the Council in demonstrating it is delivering value for money. This information will be published on the Council's website.

**Financial Implications [Officer Initials: SJT Date: 17/01/23]**

14. Failure to minimise and effectively deter and combat fraud and corruption detracts from Council funds and therefore Council service delivery at a time of increased budgetary pressure and service demands.

**Human Resources Implications [Officer Initials: SH | Date: 16/01/23]**

15. Whilst there are no resource implications caused directly by this report, there are Human Resources implications where employees undertake fraud, (or are alleged

to have undertaken). In these cases, Human Resources should be involved in all investigations to ensure that these are conducted properly, appropriate and timely action is taken in relation to the allegation.

## **Technology Implications [Officer Initials: PW | Date: 16/01/23]**

16. There are no technology implications in relation to this report

## **RISKS AND ASSUMPTIONS**

17. 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.

## **CONSULTATION**

18. Not applicable.

## **BACKGROUND PAPERS**

19. The Council's Anti-Fraud and Corruption Framework (available on the Council's website and approved by the Audit Committee).

## **GLOSSARY OF ACRONYMS AND ABBREVIATIONS**

20. All abbreviations and acronyms are written in full in the report with their abbreviations used only after the first instance. Items used are:

- NFI – National Fraud Initiative
- DWP – Department of Work and Pensions
- CTRS Council Tax Reduction Scheme
- SFIS – Single Fraud Investigation Service (the benefits fraud investigatory arm of the Department of Work and Pensions)
- DEA – Direct Earnings Attachments
- BEIS – The government Department for Business Energy and Industrial Strategy
- HMRC – His Majesty's Revenue and Customs

## **REPORT AUTHOR & CONTRIBUTORS**

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