

**SUBJECT: ANNUAL FRAUD AND ERROR REPORT**

**DIRECTORATE: CHIEF EXECUTIVE & TOWN CLERK**

**REPORT AUTHOR: AMANDA STANISLAWSKI, AUDIT MANAGER**

## **1. Purpose of Report**

- 1.1 This report informs Committee of performance against the 2021/22 Counter Fraud Work Plan and the outcomes of pro-active fraud work and investigations.

## **2. Executive Summary**

- 2.1 The Audit Committee receive an Annual Fraud and Error report (Counter Fraud Report). This is linked to its terms of reference linked to Counter Fraud and contributes to the overall governance arrangements of the authority and the annual governance statement.
- 2.2 The report summarises the number of cases during 2021/22 comparing them with the previous year. Overall there has not been a significant change in the number of cases but there was an increase in the number of errors identified through the National Fraud Initiative (NFI) matches. There has been a positive significant change as more NFI matches have now been processed. There have also been fewer Single Persons Discounts removed.
- 2.3 Progress has been made against completing the actions within the Counter Fraud Action Plan and these are detailed within the report. There are seven which are still in progress and most of these have been added onto the 2022/23 action plan. The remaining two, Tenancy Counter Fraud work and Cybercrime are now embedded as business as usual so no-longer need to be included on the action plan. There are a number of actions relating to the Lincolnshire Counter Fraud Partnership (LCFP) which were not started due to the priorities and capacity within the partnership of these, the Single Person Discount Rolling Review project has been added to the 2022/23 action plan. The review of compliance with the Strategy was also not started and has been added to the 2022/23 Action plan.
- 2.4 Whistleblowing referrals slightly increased this year, most of these related to Housing Benefit and Single Person Discounts. Allegations made were mainly in respect of partners being resident or the claimant was working. Action has been taken in five whistleblowing cases, seven have been referred to the DWP and eight have been cleared with no issues.
- 2.5 Several actions have been put into place to reduce the risks around Cyber crime. These include updated policies, rolling out e-learning to staff and members, participating in sharing threat information both internally and externally and monitoring software vulnerabilities.
- 2.6 The reduction in Housing Benefit cases has led to a reduction in the number of

referrals to the DWP. Other proactive measures such as the NFI, Verification of Earnings and Pensions, Housing Benefit Matching Service and the Housing Benefit Award Accuracy Initiative have also reduced the level of fraud and error.

2.7 Within Housing the data matching exercise has been completed with most cases only requiring an administrative change. The notices to quit for non-occupation of a council dwelling were all ended without legal proceedings.

2.8 For Covid grants there are two which are being recovered as not compliant and two cases which were detected prior to payment.

### 3. Organisational Impacts

3.1 Finance (including whole life costs where applicable)

There are no direct financial implications

3.2 Legal Implications including Procurement Rules

There are no direct legal implications

3.3 Equality, Diversity & Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities.

Due to the nature of the report, no specific Equality Impact Analysis is required.

### 4. Recommendation

4.1 The Audit Committee consider and comment on the contents of the report and appendix.

**Key Decision** No

**Do the Exempt Information Categories Apply?** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**How many appendices does** One

**the report contain?**

**List of Background Papers:**

None

**Lead Officer:**

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