



Audit (Monitoring of Audit Investigations) Sub Committee

2 February 2015

Report Title	Audit Services – Counter Fraud Report: January 2015	
Cabinet Member with Lead Responsibility	Councillor Andrew Johnson Resources	
Accountable Director	Mark Taylor, Director of Finance	
Originating service	Audit	
Accountable employee(s)	Peter Farrow Tel Email	Head of Audit 01902 554460 peter.farrow@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable	

Recommendations for noting:

The Committee is asked to note:

The contents of the latest Internal Audit Counter Fraud Update.

1.0 Purpose

- 1.1 The purpose of this report is to provide Members with an update on current counter fraud activities undertaken by Audit Services.

2.0 Background

- 2.1 The cost of fraud to local government is estimated at £2.1 billion a year. This is money that could be used for local services.
- 2.2 The Counter Fraud Unit was set up within Audit Services, in response to the increased emphasis being placed upon both fraud prevention and detection by the Department for Communities and Local Government, predominantly through the work of, what was, the National Fraud Authority and its “Fighting Fraud Locally: The Local Government Fraud Strategy”.

3.0 Progress, options, discussion, etc.

- 3.1 At the last meeting of the Audit Sub-Committee in November 2014, it was agreed that regular updates on the progress the Council was making in tackling fraud would continue to be brought before the Sub-Committee.

4.0 Financial implications

- 4.1 There are no financial implications arising from the recommendation in this report [GE/16012015/I].

5.0 Legal implications

- 5.1 Investigations by the Counter Fraud Unit may have legal implications depending upon what action is taken or decided against in respect of those investigations.

6.0 Equalities implications

- 6.1 There are no equalities implications arising from this report.

7.0 Environmental implications

- 7.1 There are no environmental implications arising from this report.

8.0 Human resources implications

- 8.1 There are no human resources implications arising from this report.

9.0 Corporate landlord implications

- 9.1 There are no corporate landlord implications arising from the implications in this report.

10.0 Schedule of background papers

- 10.1 None.

Wolverhampton

City Council



Audit Services – Counter Fraud Report January 2015



1 Introduction

The counter fraud agenda is one that continues to hold significant prominence from Central Government who are promoting a wide range of counter fraud activities. The purpose of this report is to bring the Audit Sub-Committee up to date on the counter-fraud activities undertaken by the Counter Fraud Unit within Audit Services.

Wolverhampton City Council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. This message is made clear within the Authority's Anti-Fraud and Corruption Policy, which states: "The Council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the Council."

2 The Counter Fraud Unit

The Counter Fraud Unit, which sits within Audit Services, is continuing to develop and lead in raising fraud awareness across the council and in promoting an anti-fraud culture. The team carries out investigations into areas of suspected or reported fraudulent activity and organises a series of council wide pro-active fraud activities, including the targeted testing of areas open to the potential of fraudulent activity. The team maintains the Council's fraud risk register, and hosts raising fraud awareness seminars and fraud surgeries. An anti-fraud and corruption newsletter is also produced. In addition they lead on the Audit Commission's National Fraud Initiative (NFI) exercise.

3 Counter Fraud Update

Counter Fraud Plan

The latest status of progress against the Counter Fraud Plan is shown at Appendix 1

Department for Communities and Local Government (DCLG) Fraud Funding

The DCLG has awarded funding to an application developer to produce a Counter Fraud App for use by the public, from a bid that was supported by the Council. The App will be capable of being branded and tailored for each council and will enable the fraud awareness message to be communicated to the public. This will include details of key fraud threats and success stories. The public will also be able to report potential frauds using the App.

Benefit Fraud outcome of Investigations 2014/15

The table below identifies the value and number of benefit fraud overpayments resulting from investigations to the end of December 2014. These are cases where the claimant has either provided inaccurate information in order to obtain benefits or has failed to inform the Council that their circumstances have changed resulting in them no longer being eligible to receive benefits. The Council uses intelligence to identify dishonest benefit claimants and to actively pursue the recovery of fraudulently claimed payments and where appropriate penalise the perpetrator. A total of 128 investigations have been completed. These resulted in overpayments which either did not meet the criteria for a sanction to be invoked or overpayments which resulted in a sanction or a prosecution, penalty or a caution. Overpayments are recovered through established Council systems, for example, by revenues and benefits or through the debtor systems.

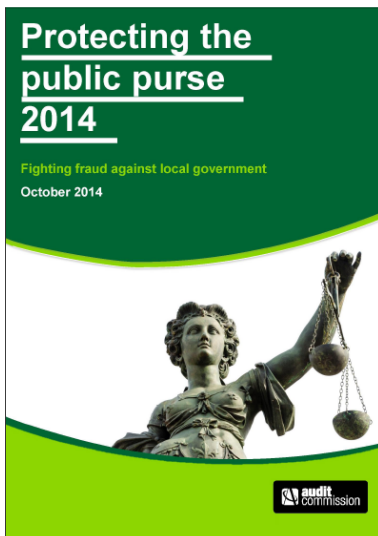
Sanction	Value of overpayment £	Number of cases
Non Sanction Over Payment	£214,000	80
Prosecution Over Payment	£111,000	23
Penalty Over Payment	£20,000	21
Caution Over Payment	£300	4
Total	£345,300	128

Examples of recent successful prosecutions are included at Appendix 2.

Benefit Fraud Investigation Team

The Department for Work and Pensions (DWP) is creating a Single Fraud Investigation Service (SFIS). The new SFIS service will combine the DWP and part of what was the local authority benefit fraud investigators into a single team, managed by the DWP. It is anticipated that benefit fraud employees, currently working for the Council are likely to transfer to SFIS under arrangements similar to TUPE. For Wolverhampton employees the transfer is planned to take place on 1 June 2015. Further details will be brought before the Committee as they become known.

Protecting the Public Purse 2014



In October 2014 the Audit Commission published its latest annual Protecting the Public Purse report. The report summarises the findings from a survey of frauds committed against local government bodies. The number of detected fraud cases nationally is reported to be 104,000, with a value of £188 million. It was confirmed that the key areas of fraud identified in the Protecting the Public Purse 2014 had already been included in the councils Fraud Risk Register.

A copy of the full [Protecting the Public Purse](#) report is available from the Audit Commission website.

The report also includes a checklist for councillors to help assess the level of counter fraud coverage at the Council. We have self-assessed ourselves against this checklist, and it can be found at Appendix 5.

National Fraud Initiative – 2012/14 exercise

The Counter Fraud Unit co-ordinates the investigation of matches identified by the Audit Commissions National Fraud Initiative (NFI) data matching exercises. Where matches are identified the ensuing investigations may detect instances of fraud, over or underpayments, and other errors. A match does not automatically mean there is a fraud. Often there is another explanation for a data match that prompts bodies to update their records and to improve their systems. The outcomes from the 2012/14 NFI exercise are shown below.

Description	Current value (£)
Housing benefit claimants to student loans (2013)	87,340
Housing benefit claimants to student loans (2014)	10,125
Housing benefit claimants to WCC payroll	1,450
Housing benefits claimants to WCC pensions	18,053
Housing benefit claimants to external payrolls	4,724
Housing benefits claimants to external pensions	41,654
Housing benefits claims to external housing benefits claims	1,770
Housing benefits claims to external housing tenants	360
Pension gratuity to DWP deceased records	16,005
Overpaid VAT	4,474
Right to buy to housing benefit claimants	20,000
Duplicate invoice records (different creditors)	5,246
Total	211,201

* Action is being taken to recover the value of the fraud and error wherever possible.

National Fraud Initiative – 2015/16 exercise

During October 2014 datasets from a number of Council service areas were uploaded onto the Audit Commission's National Fraud Initiative (NFI) web site. The data will then be analysed, and where appropriate matched by the commission, and the results will be released to the council shortly. Where appropriate, any key matches will then be investigated and the results reported back to the Committee.

National Fraud Initiative - Housing waiting list pilot

Wolverhampton Homes is to participate in an exercise to match social housing waiting lists. This is a proactive match and is designed to identify people who are ineligible for social housing or had misrepresented their circumstances on waiting list applications. Removing applicants that are ineligible to be on the housing waiting list helps to reduce the length of time the eligible applicants stay in temporary accommodation.

National Fraud Initiative – Single Person Discount

The results from the latest data matching exercise for Council Tax Single Person discount have been received. The matches indicate properties where single person discount is being claimed but the Electoral Register indicates that another person over the age of 18 is living at the property. These are now being investigated and details of the progress made will be brought before the Committee as it becomes known.

Transparency Code

The Local Government Transparency Code 2014 requires Council's to make details of their counter fraud work available to the public. This is part of the governments drive to increase local accountability. At Wolverhampton details of the counter fraud activities will be published annually on the Council's datashare website. The details to be included are shown at Appendix 3.

Midland Fraud Group

The Midlands Fraud Group held a meeting in 2014. The group consists of fraud officers from across the Midland's local authorities. The purpose of the group is to identify and discuss the outcome of initiatives being used to tackle fraud. At the October meeting topics discussed included Immigration Enforcement, CIPFA's new Code of Practice and the DCLG Transparency Code, the National Fraud Initiative and cases of interest.

Fraud Risk Register

The Counter Fraud Unit maintains the Council's fraud risk register. The register is used to identify areas for testing and also to inform future audit assurance plans by focusing on the areas with the 'highest' risk of fraud. The fraud risk register is included at Appendix 4.

Counter Fraud Plan update

Issue	Action	Timescale
Raising counter fraud awareness across the council	Develop and deliver Fraud Awareness seminars for managers and supervisors	New seminars to be arranged by May 2015
	Develop on line fraud training for staff.	Completed October 2013 – to be refreshed during 2015
	Work with Workforce Development to develop and promote fraud training.	Ongoing use of online training package
	Establish measures for assessing the level of employee fraud awareness.	Summer 2015
	Hold fraud surgeries to enable staff to report areas of suspected fraud.	New surgeries to be held by May 2015
	Periodically issue a fraud and corruption newsletter.	New issue to be produced – Spring 2015
	Use various forms of media to promote fraud awareness across the council including City People, the intranet and the internet.	On-going
	Work closely with Wolverhampton Homes and seek opportunities to promote joint fraud awareness.	On-going
Work with national, regional and local networks to identify current fraud risks and initiatives.	Maintain membership of the National Anti-Fraud Network (NAFN).	On-going
	Participate in the Audit Commission's National Fraud Initiative (NFI) data matching exercises. Acting as key contact for the Council, the West Midlands Pension Scheme and Wolverhampton Homes.	On-going
	Complete the annual Audit Commission fraud survey.	Completed May 2014
	Investigate opportunities to develop the use of NFI real time and near real time data matching.	Used for pensions gratuities – January 2014 To be used for Housing Waiting Lists – Spring 2015
	Participate in CIPFA's technical information service.	On-going
	Maintain membership of the Midlands Fraud Group.	On-going – Latest meeting October 2014
	Attend external fraud seminars and courses.	On-going

Issue	Action	Timescale
Assess the counter fraud strategy against best practice	Complete national fraud self-assessments, for example:	
	<ul style="list-style-type: none"> <li data-bbox="496 282 927 315">• New CIPFA Code of Practice 	May 2015
	<ul style="list-style-type: none"> <li data-bbox="496 349 1098 416">• Audit Commissions - Protecting the Public Purse 	Annually
	<ul style="list-style-type: none"> <li data-bbox="496 450 1078 551">• Department for Communities and Local Government – ten actions to tackle fraud against the council. 	Winter 2014
	<ul style="list-style-type: none"> <li data-bbox="496 573 1066 607">• Consideration of fraud resilience toolkit 	Autumn 2014
Identify and rank the fraud risks facing the council	Manage the council's fraud risk register to ensure key risks are identified and prioritised.	Substantially completed continue to refine Spring 2015
	Develop measures of potential fraud risk to help justify investment in counter fraud initiatives.	Summer 2015
	Seek opportunities to integrate the fraud risk register with other corporate risk registers and also the Audit Services Audit Plan	Spring 2015
Work with other fraud investigation teams at the council	Develop good communication links between the Counter Fraud Unit, the Benefits Investigation Team, Wolverhampton Homes, and Audit Services.	Fraud Group established – latest meeting September 2014
	Maintain an overview of the progress made with the tenancy data sharing agreement between Wolverhampton Homes and Birmingham City Council.	Ongoing
Work with external organisations to share knowledge about frauds?	Establish formal joint working relationships with external bodies, for example Police, Health Service and Immigration Enforcement.	Immigration Enforcement Presentation October 2014
Participate in external initiatives and address requests for information	Implement industry best practice as identified in reports produced by external bodies, for example; The Audit Commissions Annual Protecting the Public Purse report and the National Fraud Initiative report.	Annual ongoing
	Encourage Service Areas to participate in initiatives to identify cases of fraud.	Fraud Group established – latest meeting September 2014
	Look for opportunities to use analytical techniques such as data matching to identify frauds perpetrated across bodies, for example other councils.	Spring 2015 onwards
	Undertake a programme of proactive target testing.	Spring 2015 onwards
	Respond to external requests for information or requests to take part in national initiatives.	Ongoing

Issue	Action	Timescale
All cases of reported fraud are identified, recorded and investigated in accordance with best practice and professional standards.	Work with Service Areas to develop methods of recognising, measuring and recording all forms of fraud.	Fraud Group established – latest meeting September 2014
	Manage and co-ordinate fraud investigations across the council.	Ongoing
	Implement and update the council's portfolio of fraud related policies in response to changes in legislation.	New policies approved March 2014
	Where appropriate take sanctions against the perpetrators of fraud either internally in conjunction with Human Resources and Legal Services or externally by the Police.	Ongoing
Ensure responsibility for counter fraud activities is included in Partnership agreements with external bodies.	Embed responsibility for counter fraud activities in partnership agreements with the council's strategic partners.	Ongoing
	Partnership agreements to include the council's rights of access to conduct fraud investigations.	Ongoing
Provide the opportunity for employees and members of the public to report suspected fraud.	Manage and promote the Whistleblowing Hotline and record all reported allegations of fraud.	Ongoing
	Promote and hold fraud surgeries that provide the opportunity for staff to discuss any potential fraudulent activity at the council.	New surgeries to be held by May 2015
	Seek other methods of engaging with employees and the public to report fraud.	Frauditor, payslips and City People – March 2014
	Where appropriate ensure allegations are investigated and appropriate action taken.	Ongoing
	Work with and develop procedures for carrying out investigations with other service areas for example Human Resources, Legal Services, Benefits Fraud Team and Wolverhampton Homes.	Fraud Group established – latest meeting September 2014
Inform members and senior officers of counter fraud activities.	Report quarterly to the Audit Sub Committee on the implementation of Counter Fraud initiatives and the progress and outcome of fraud investigations.	February 2015 onwards quarterly

Details of recent benefit (and related) fraud prosecutions

Case 1

A husband and wife started to receive Housing Benefit, Council Tax Benefit and discretionary housing payments in January 2009. The wife made the original application for benefit and while she declared that she had a job she failed to disclose a second job where she was earning £8,500 per year. When interviewed by one of the fraud investigators she stated that she had been dismissed from her job in December 2012 and was out of work. However, two days later the fraud investigator saw her working in a City centre sandwich shop. During this period her husband had become the main claimant for the benefits. Both admitted fraud by making false statements. The husband and wife had fraudulently claimed £13,204 in Housing and Council Tax Benefit. The claimant pleaded guilty with the husband being sentenced to 18 weeks in prison and his wife 16 weeks both suspended for 18 months, costs totalling £1,604 and they are required to paying back the overpaid benefits.

Case 2

A claimant started to receive Housing Benefit and Council Tax Benefit in 1999 based on her earnings and underlying benefit entitlement. An allegation was received indicating that her partner was also in employment. During interview she admitted to not notifying Wolverhampton City Council's in respect of her partner's employment which commenced in March 2013. However Mrs Hinton claimed that her own earnings had reduced during this period & requested the overpayment is recalculated. When a check was completed her earnings were found to have increased which resulted in the overpayment increasing. The claimant fraudulently claimed £3,142 in Housing Benefit, Council Tax Benefit and Council Tax Reduction between March and December 2013. The claimant pleaded guilty in court and received a community order of 60 hours unpaid work, lasting for 12 months, costs totalling £100, victim surcharge totalling £60 and a collection order.



Express & Star

Case 3

CITY FINAL
Express & Star
 50p
 Monday
 November 23
 Tel: 0114 276 2000

Firms agree £3m deal to improve city centre
 Regional newspaper of the year

NEWS BRIEF
Wolves 51 switch on
 Wolves have signed a deal to switch on their new stadium at the end of the season. The deal involves the club paying £5m to the council to cover the cost of the stadium's lighting system. The council will also provide the stadium with a new lighting system. The deal is expected to be completed by the end of the season.

Benefits assessor admits 'sophisticated' two-year fraud
COUNCIL WORKER IN £32K SWINDLE
 A council worker has admitted to a two-year fraud worth £32,000 from Wolverhampton City Council. The worker, who was employed as a benefits assessor, admitted to using a false identity to claim benefits. The council has recovered the money and is now pursuing recovery of the £32,300 fraudulently obtained.

Get in! Darts fans feel the power at final
 Taylor takes title in Civic thriller

SPORT
Speedway deal for new
 A deal has been struck for a new speedway track to be built in the city. The track is expected to be completed by the end of the season.

Corruption
 A corruption scandal has been uncovered at the council. The scandal involves a council worker who was found to have received a bribe of £10,000 from a contractor. The council has taken action against the worker and is now pursuing recovery of the £10,000.

Full match report - Back Page
 A full match report is available on the back page of the newspaper.

Motorists
 Hundreds of motorists have been affected by a road closure in the city. The closure is expected to last for several days.

Express & Star

We received a referral from a landlord who had received housing benefit correspondence for a non-existent tenant. Our fraud investigator identified that while the tenant was a woman, the payment went to a male partner who had the same name as the Housing Benefit Assessor who had set up the account. Further investigation identified five other accounts with similar payment arrangements. In each case the payments went to the same bank account.

It was found that the employee had manipulated the Housing Benefits system to ensure they were able to maintain the accounts without detection over a two year period.

They were arrested by the Police and admitted six counts of fraud. They were later sentenced to a 20 month prison sentence suspended for two years. They have also been dismissed from the Council, and the Council is pursuing recovery of the £32,300 fraudulently obtained, with a Proceeds of Crime court hearing scheduled for May 2015.

Transparency Code

The following fraud related information will be published on the Councils datashare website

Total Fraud Employees Count	FTE Fraud Employees Count	Total Fraud Specialist Count	FTE Fraud Specialist Count	Fraud Spent Amount*	Total Investigated Frauds
7	6.5	7	6.5	£265,500	12 (non- benefit fraud)
					198 (benefit fraud - no DWP)
					37 (benefit fraud - joint with DWP)

* Part funded by DWP grant

Fraud Risk Register @ January 2015

Themes	Potential fraud type	Risk rating
Housing Tenancy	Subletting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, right to buy.	Red
Housing Benefit	Claiming benefits to which not entitled	Red
Council Tax	Fraudulently claiming for discounts and exemptions such as the single persons discount, Local Council Tax Support Schemes	Red
Personal Budgets	Falsely claiming that care is needed, carers using direct payments for personal gain, carers continuing to receive direct payments after a person dies, duplicate applications submitted to multiple councils.	Red
Welfare Assistance	Fraudulent claims	Amber
Procurement	Collusion (staff and bidders), false invoices, overcharging, inferior goods and services, duplicate invoices	Amber
Business Rates	Evading payment, falsely claiming mandatory and discretionary rate relief, empty property exemption, charity status	Amber
Payroll	'ghost' employees, expenses, claims, recruitment	Amber
Blue Badge	Fraudulent applications, use and continuing to receive after a person dies	Amber
Electoral	Postal voting, canvassing	Amber
Schools	School accounts, expenses, procurement, finance leases	Amber
Theft	Theft of council assets including cash	Green
Insurance	Fraudulent and exaggerated claims	Green
Manipulation of data	Amending financial records and performance information	Green
Bank Mandate Fraud	Fraudulent request for change of bank details.	Green
Grants	False grant applications, failure to use for its intended purpose	Green
Bribery	Awarding of contracts, decision making	Green
Money Laundering	Accepting payments from the proceeds of crime	Green

**Fighting Fraud Checklist for Governance
@Wolverhampton City Council**

Protecting the public purse 2014

October 2014

General	Yes	No
<p>1. Do we have a zero tolerance policy towards fraud?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>This is explicit in the council’s Anti- Fraud and Corruption Policy</p>		
<p>2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with <i>Fighting Fraud Locally</i>?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>The counter fraud strategy, policies, plans and the fraud risk register are aligned with the Fighting Fraud Locally strategy.</p>		
<p>3. Do we have dedicated counter-fraud staff?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>The Counter Fraud Unit which sits within Audit Services provides a corporate overview of all frauds that affect the council.</p>		
<p>4. Do counter-fraud staff review all the work of our organisation?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>Through maintenance of the fraud risk register, although there are further areas to be targeted such as procurement and business rates.</p>		
<p>5. Does a councillor have portfolio responsibility for fighting fraud across the council?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>The Audit Sub-Committee has responsibility for fraud related issues.</p>		
<p>6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>The Audit Sub-Committee receives reports at quarterly meetings and periodically from the Audit Commission.</p>		
<p>7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>Audit Commission briefings are presented to the Audit Sub-Committee as and when they become available.</p>		
<p>8. Have we assessed our management of counter-fraud work against good practice?</p>	<input checked="" type="radio"/>	<input type="radio"/>
<p>Counter fraud management is regularly assessed against good practice and where appropriate the counter fraud strategy, policies, plans and the fraud risk register are updated.</p>		

General	Yes	No
<p>9. Do we raise awareness of fraud risks with:</p> <ul style="list-style-type: none"> ■ new staff (including agency staff); ■ existing staff; ■ elected members; and ■ our contractors? 	<p>●</p> <p>●</p> <p>●</p> <p>●</p>	<p>○</p> <p>○</p> <p>○</p> <p>○</p>
<p>A Fraud Awareness e-learning package is available on the Learning Hub. In addition face to face training is periodically provided to employees and Councillors. We will work to further roll-out this training as appropriate.</p>		
<p>10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?</p>	<p>●</p>	<p>○</p>
<p>We are active members of a number of networks and partnerships including:</p> <ul style="list-style-type: none"> • National Anti-Fraud Network • National Fraud Initiative • CIPFA Better Governance Forum • Audit Commission • Midlands Fraud Group • Local Authorities Investigating Officer’s Group • West Midlands Fraud Investigators Group • West Midlands Better Use of Stock Group • DWP • SFIS Knowledge Hub • Close working with the Counter fraud Unit at Sandwell 		
<p>11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?</p>	<p>●</p>	<p>○</p>
<p>Yes as per question 10, but more work is required to seek opportunities to share knowledge and data about fraudsters with other organisations.</p>		
<p>12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?</p>	<p>●</p>	<p>○</p>
<p>Yes, predominantly through the work of Internal Audit who make recommendations and, where appropriate, follow up their implementation. The Counter fraud Unit also makes similar recommendations following the outcome of fraud investigations.</p>		

General	Yes	No
13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?	<input checked="" type="radio"/>	<input type="radio"/>
The Counter Fraud Unit co-ordinates the NFI exercise across the council. All categories of matches are reviewed and the outcomes reported to the Audit Sub-Committee.		
14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	<input checked="" type="radio"/>	<input type="radio"/>
Yes the Money Laundering Policy		
15. Do we have effective arrangements for: <ul style="list-style-type: none"> ■ reporting fraud?; and ■ recording fraud? 	<input checked="" type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> <input type="radio"/>
Concerns can be raised by phone, letter, email or at a fraud surgery.		
16. Do we have effective whistle-blowing arrangements? In particular are staff: <ul style="list-style-type: none"> ■ aware of our whistle-blowing arrangements? ■ have confidence in the confidentiality of those arrangements? ■ confident that any concerns raised will be addressed? 	<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> <input type="radio"/> <input type="radio"/>
<ul style="list-style-type: none"> • There is a comprehensive Whistleblowing Policy which is available on the intranet and internet and concerns can be raised through these arrangements. • The whistleblowing policy is under constant review in order to ensure that it remains relevant and that everyone is aware of its existence and has confidence around issues of confidentiality. • All whistleblowing allegations are recorded and addressed. 		
17. Do we have effective fidelity insurance arrangements?	<input checked="" type="radio"/>	<input type="radio"/>
Through Insurance Services		
Fighting fraud with reduced resources	Yes	No
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully	<input type="radio"/>	<input checked="" type="radio"/>

implemented?

The council is still considering the options available for the post-SFIS world, which has a go live date for Wolverhampton of 1 June 2015. Potentially all of the council's Benefit Fraud Investigators could transfer to SFIS.

19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?



The Council submitted a bid for funding for a Fraud Intelligence Officer and formed part of a Birmingham led West Midlands joint bid for a regional data – unfortunately these were unsuccessful. However, we also supported a bid for funding by a third party systems development organisation. The bid was to develop a fraud App which can be tailored for use by individual Council's, and this bid was successful.

20. If successful, are we using the money effectively?



The third party systems development organisation will develop the Fraud App. Once developed the Council will be in a position to determine how the App can be used at Wolverhampton.

Current risks and issues	Yes	No
Housing tenancy		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	●	○
Wolverhampton Homes has established processes in place for verifying that only eligible people are allocated social housing tenancies.		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	●	○
Wolverhampton Homes has had a Tenancy Fraud Team which investigates fraudulent use of properties.		
Procurement		
23. Are we satisfied our procurement controls are working as intended?	●	○
Audits of procurement confirm whether controls are working as intended. However, it is recognised nationally that the potential for fraud in contracts remains high but is complex and difficult to detect.		
24. Have we reviewed our contract letting procedures in line with best practice?	●	○
The contract procedure rules were last updated during 2014 to ensure compliance with best practice.		
Recruitment		
25. Are we satisfied our recruitment procedures: <ul style="list-style-type: none"> ■ prevent us employing people working under false identities; ■ confirm employment references effectively; ■ ensure applicants are eligible to work in the UK; ■ require agencies supplying us with staff to undertake the checks that we require? 	●	○
Rigorous pre-employment checks are completed to ensure that only eligible people are employed at the Council. The last National Fraud Initiative exercise did not identify any ineligible employees.		

Current risks and issues	Yes	No
Personal budgets		
<p>26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?</p>	●	○
<p>Processes are in place to control direct payments. However, it is recognised nationally that identifying cases of fraud can be difficult due to the amount of discretion given to recipients of personal budgets.</p>		
<p>27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?</p>	●	○
<p>The whistle-blowing policy applies to all staff and members of the public and is available for them to report cases of financial abuse.</p>		
Council tax discount		
<p>28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?</p>	●	○
<p>Local data matching exercises along with the National Fraud Initiative are used to identify people that are no longer entitled to discounts.</p>		
Housing benefit		
<p>29. When we tackle housing benefit fraud do we make full use of:</p> <ul style="list-style-type: none"> ■ National Fraud Initiative; ■ Department for Work and Pensions Housing Benefit matching service; ■ internal data matching; and ■ private sector data matching? 	●	○
<p>The benefit fraud investigators make extensive use of the DWP matching service and also the National Fraud Initiative. Further work is required to develop more complex internal data matching and matching with the private sector.</p>		

Emerging fraud risks	Yes	No
<p>30. Do we have appropriate and proportionate defences against the following risks:</p> <ul style="list-style-type: none"> ■ business rates; ■ Right to Buy; ■ council tax reduction; ■ schools; ■ grants? 	<p style="text-align: center;">● ● ● ● ●</p>	<p style="text-align: center;">○ ○ ○ ○ ○</p>
<p>Wolverhampton Homes has processes that are in place to minimise Right to Buy frauds. The Benefit Fraud investigators investigate Council Tax Reduction fraud and the extensive school audit programme reduces the risk of fraud at schools.</p> <p>Nationally Business Rate fraud is a difficult area to investigate with a number of rate avoidance schemes in operation. Grants are also traditionally an area susceptible to fraud. Both of these will be areas of focus during the coming year.</p>		

Source: Audit Commission (2014)