

ROTHERHAM BOROUGH COUNCIL – REPORT TO AUDIT COMMITTEE

1.	Meeting:	Audit Committee
2.	Date:	29th September 2010
3.	Title:	Annual Fraud Report 2009/10
4.	Directorate:	Financial Services

5. Summary

This report refers to our second 'Annual Fraud Report'. The purpose of the report is to bring together in one document a summary of the work which has taken place in the period to prevent and detect fraud and corruption. By publicising the report, we intend to demonstrate the Council's commitment to minimising the risk of fraud and to act as a deterrent to would-be fraudsters.

RBT, which administers the Housing Benefit service on the Council's behalf, recovered over £3.1m overpayments of benefits made as a result of fraud or error. Any amounts recovered / claimed have been used in delivering front line services for the benefit of Rotherham residents.

RBT also obtained 34 prosecutions for cases of Housing and Council Tax Benefit Fraud

Investigations of cases highlighted by the Audit Commission's 'National Fraud Initiative' led by the Council's Internal Audit Service, identified savings in excess of £200k.

6. Recommendations

The Audit Committee is asked to:-

- **Support the production of the 'Annual Fraud Report'**
- **To 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**

7. Proposals and Details

Attached at **Appendix A** is a draft annual fraud report for 2009/10. By approving the contents and distribution of the report, the Audit Committee will be supporting an important aspect of the Council's Anti-Fraud & Corruption Strategy. The purpose of the report is to raise awareness and inform our stakeholders of the work the Council undertakes to manage the risk of fraud and corruption. It brings together in one document a summary of the outcomes of our work to prevent and detect fraud and corruption.

There were over 7,400 Housing and Council Tax Benefit overpayments made in 2009/10. Most of these were not fraudulent. However, RBT completed investigations in to 898 suspicious overpayment cases. The Service obtained 34 successful prosecutions for Housing and Council Tax Benefit Fraud. RBT also issued 68 formal cautions and 80 administrative penalties.

Other outcomes included:-

- Recovering over £3.1 million paid out in fraudulent or incorrect housing benefit claims.
- Recharging Council Tax payers £898k for overpayments of Council Tax benefit payments
- Claiming Government subsidy totalling £974k as a result of the Council's identification of overpayments.
- Identifying savings of over £200k following investigations lead by Internal Audit into a number of cases highlighted by the Audit Commission's National Fraud Initiative. These savings related principally to Single Person Discount (£156k -Council Tax) and false Benefit Claims (£50k)

8. Finance

Any costs associated with publicising the outcomes achieved in the year can be contained within financial services' budget.

Publication of positive outcomes can enhance the Council's reputation and deter fraud and corruption against the Council.

9. Risks and Uncertainties

Failure to maintain robust arrangements for the prevention and detection of fraud and corruption increases the risk of loss to the Council from fraudulent activity.

10. Policy and Performance Agenda Implications

The production and distribution of the Annual Fraud Report 2009/10 will contribute towards good governance.

11. Background Papers and Consultation

Cipfa's – 'Managing the Risk of Fraud'
Anti-Fraud Policy and Action Plan

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Appendices:

Appendix A Annual Fraud Report 2009/10