



cutting through complexity™

Protecting the Public Purse Fraud Briefing 2013

Rotherham Metropolitan Borough Council



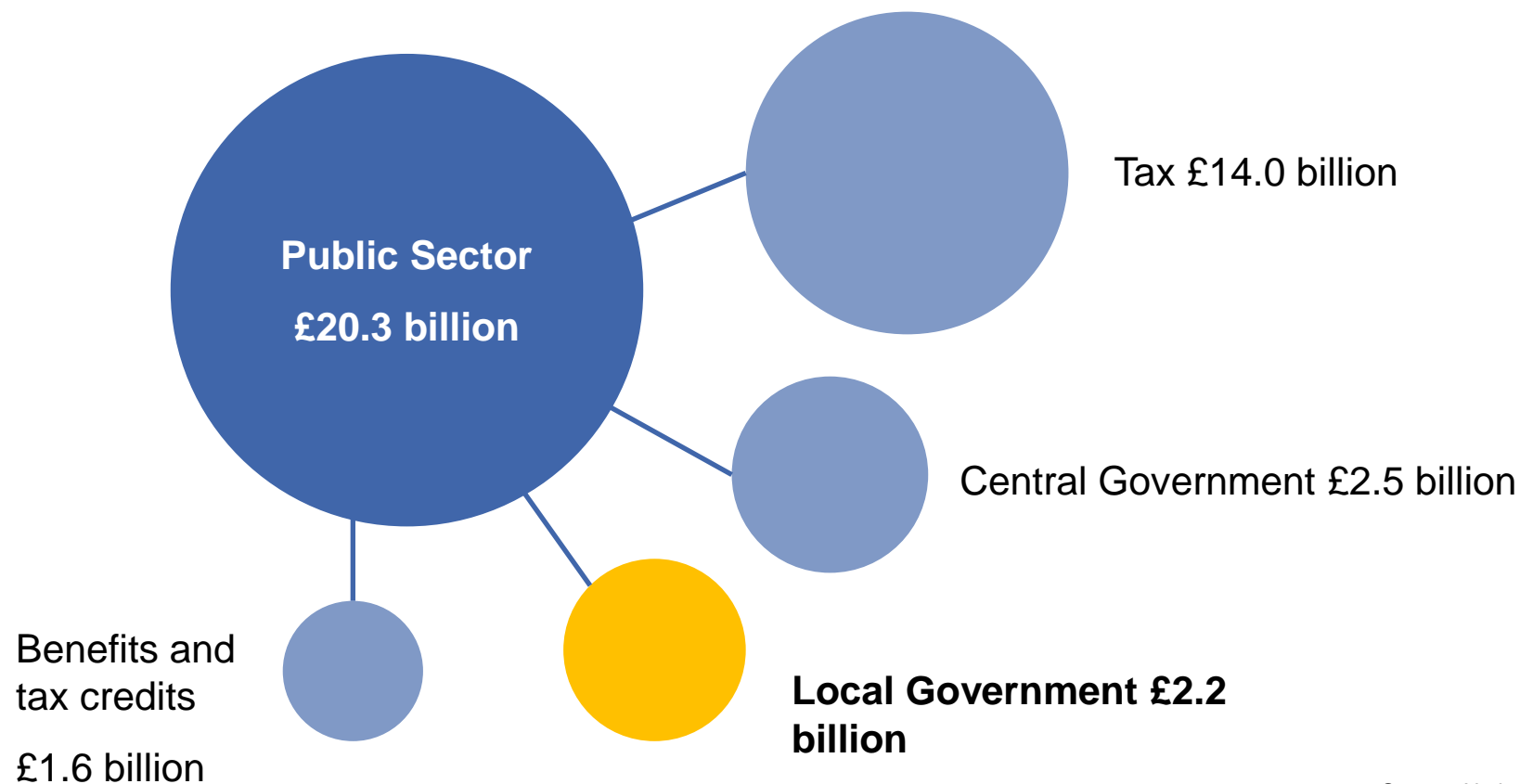
Agenda

- Introduction and purpose of your fraud briefing
- Protecting the Public Purse (PPP) 2013 report – national picture
- Interpreting fraud detection results
- The local picture
- Fraud drivers
- Questions
- KPMG resources

Introduction

Fraud in the public sector

Public Sector fraud costs the UK economy billions each year.



Source: National Fraud Authority:
Annual Fraud Indicator, March 2012



Introduction

Purpose of your fraud briefing

- Opportunity for councillors to consider fraud detection performance, compared to similar local authorities
- Reviews current counter fraud strategy and priorities
- Discuss local and national fraud risks
- Reflect local priorities in a proportionate response to those risks

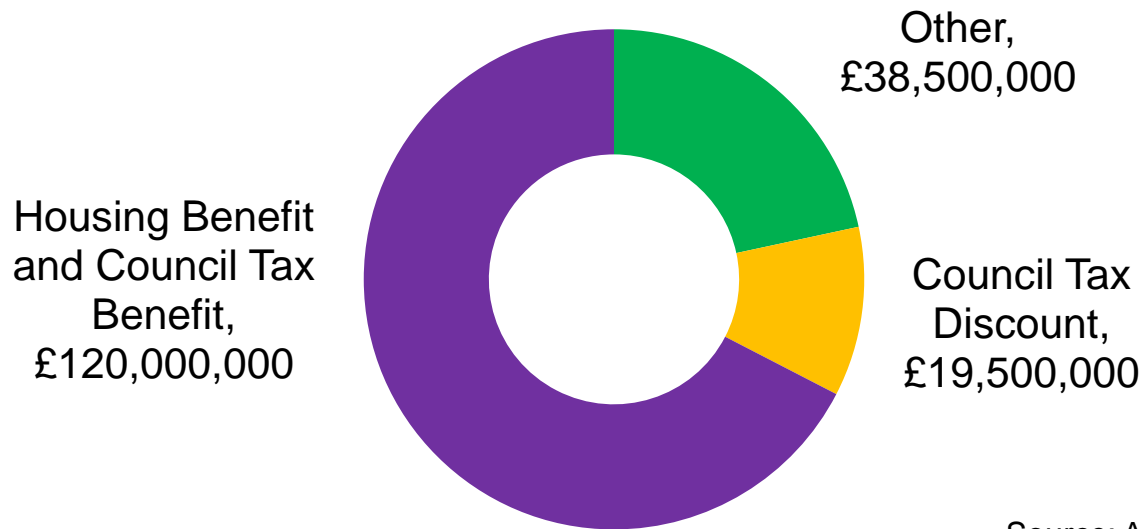
Your council is compared with the metropolitan districts and unitary authorities of the north west, north east and Yorkshire and the Humber regions

National Picture 2012/13

107,000 total cases detected with value of £178m (excluding social housing fraud)

Nationally, the number of detected frauds has fallen by 14% since 2011/12 and the value by less than 1%

Detected Fraud



Source: Audit Commission



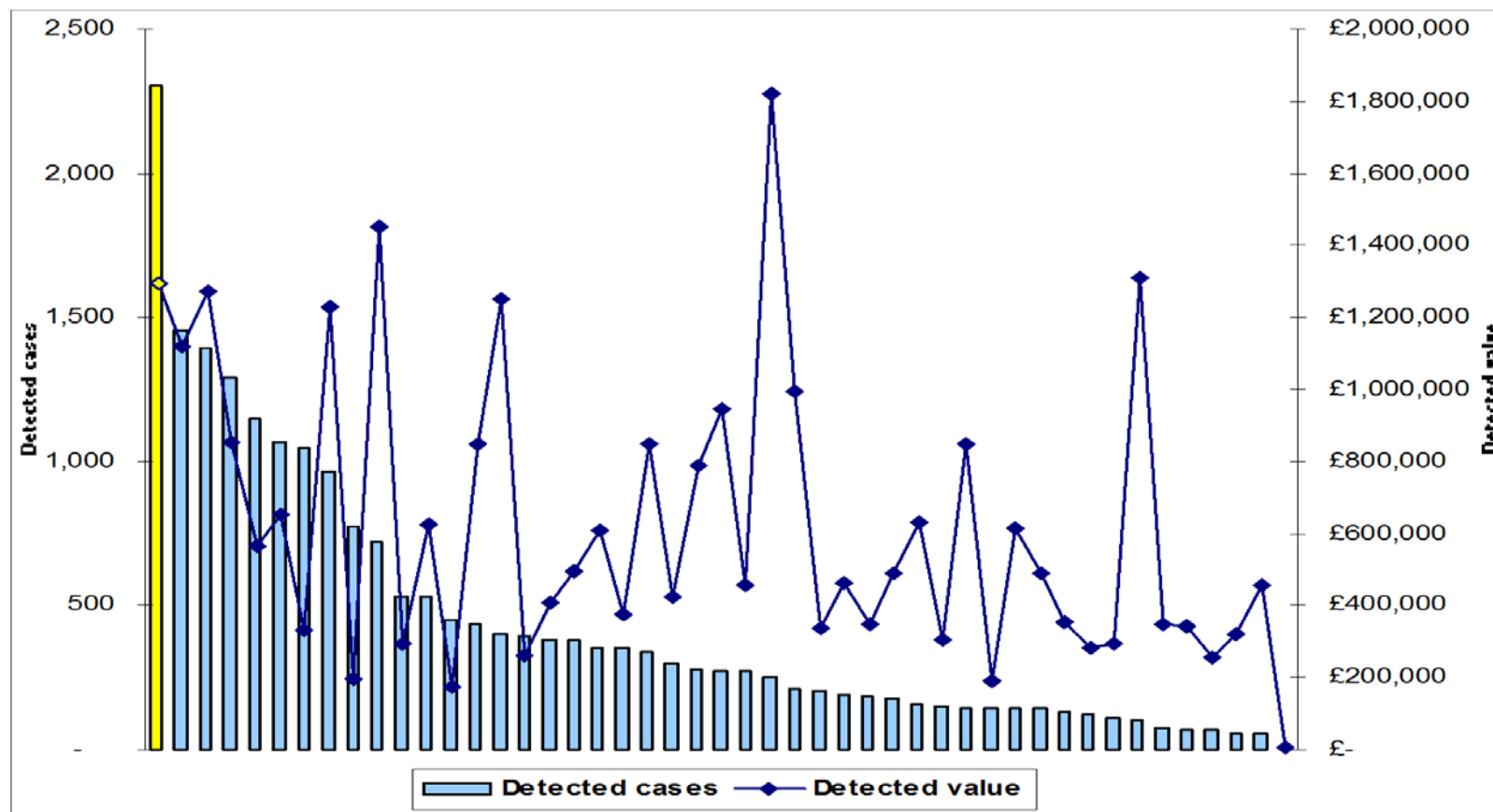
Interpreting fraud detection results

- Contextual and comparative information needed to interpret results
- Detected fraud is indicative, not definitive, of counter fraud performance (prevention and deterrence should not be overlooked)
- No fraud detected does not mean no fraud committed (fraud will always be attempted and even with the best prevention measures some will succeed)
- Council who look for fraud, and look in the right way, will find fraud (there is no such thing as a small fraud, just a fraud that has been detected early)

Your council is highlighted in yellow in the graphs that follow

The local picture

How your council compares to other Northern metropolitan districts and unitary authorities
Total detected cases and value 2012/13 (excluding social housing fraud)



Rotherham detected: 2,305 cases, valued at £1,293,044

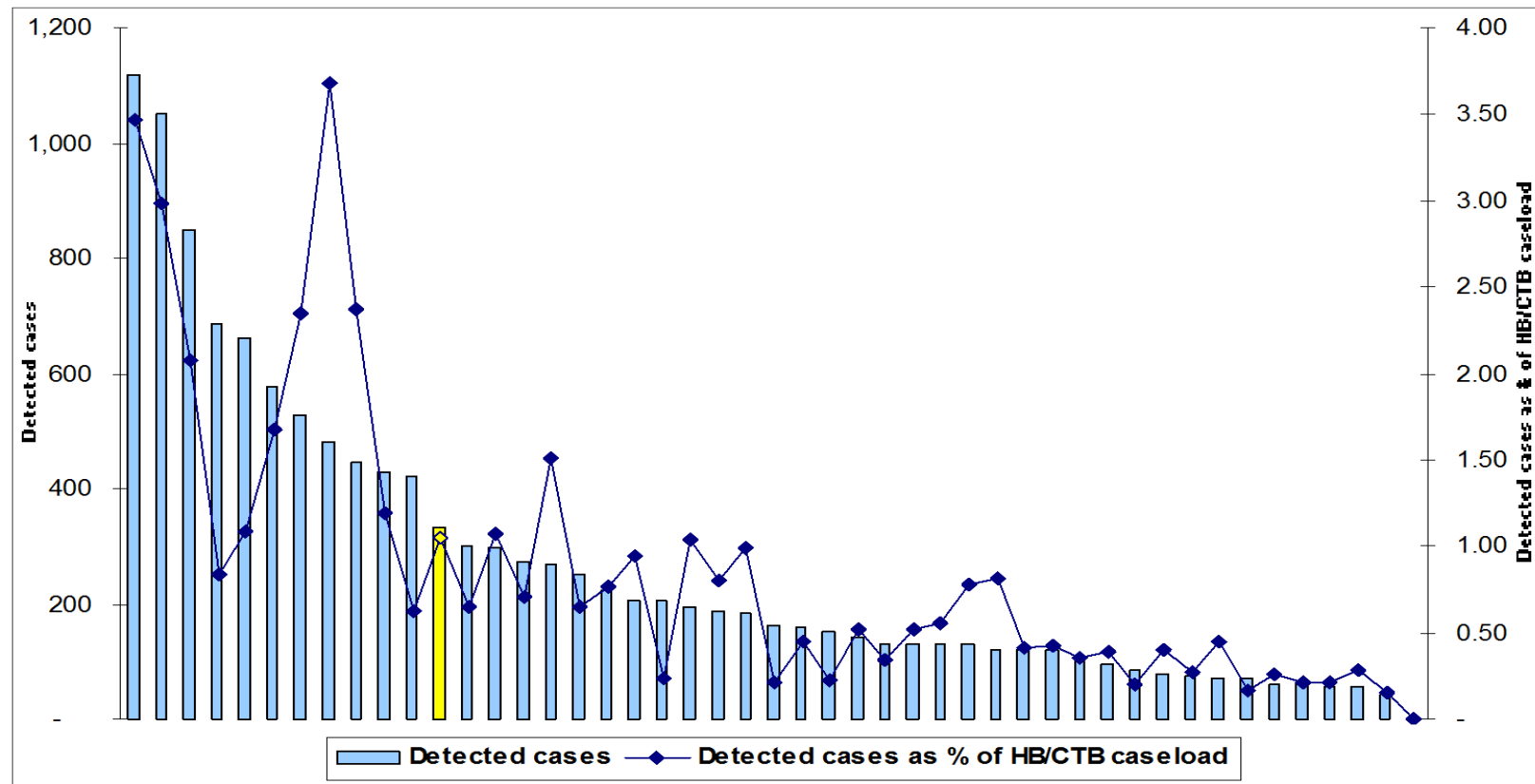
Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities 2012/13

Housing benefit (HB) and Council tax benefit (CTB) fraud

Detected cases and detected cases as a percentage of HB/CTB caseload.



Rotherham detected: 331 cases, valued at £717,930

Northern average: 266 cases, valued at £532,110

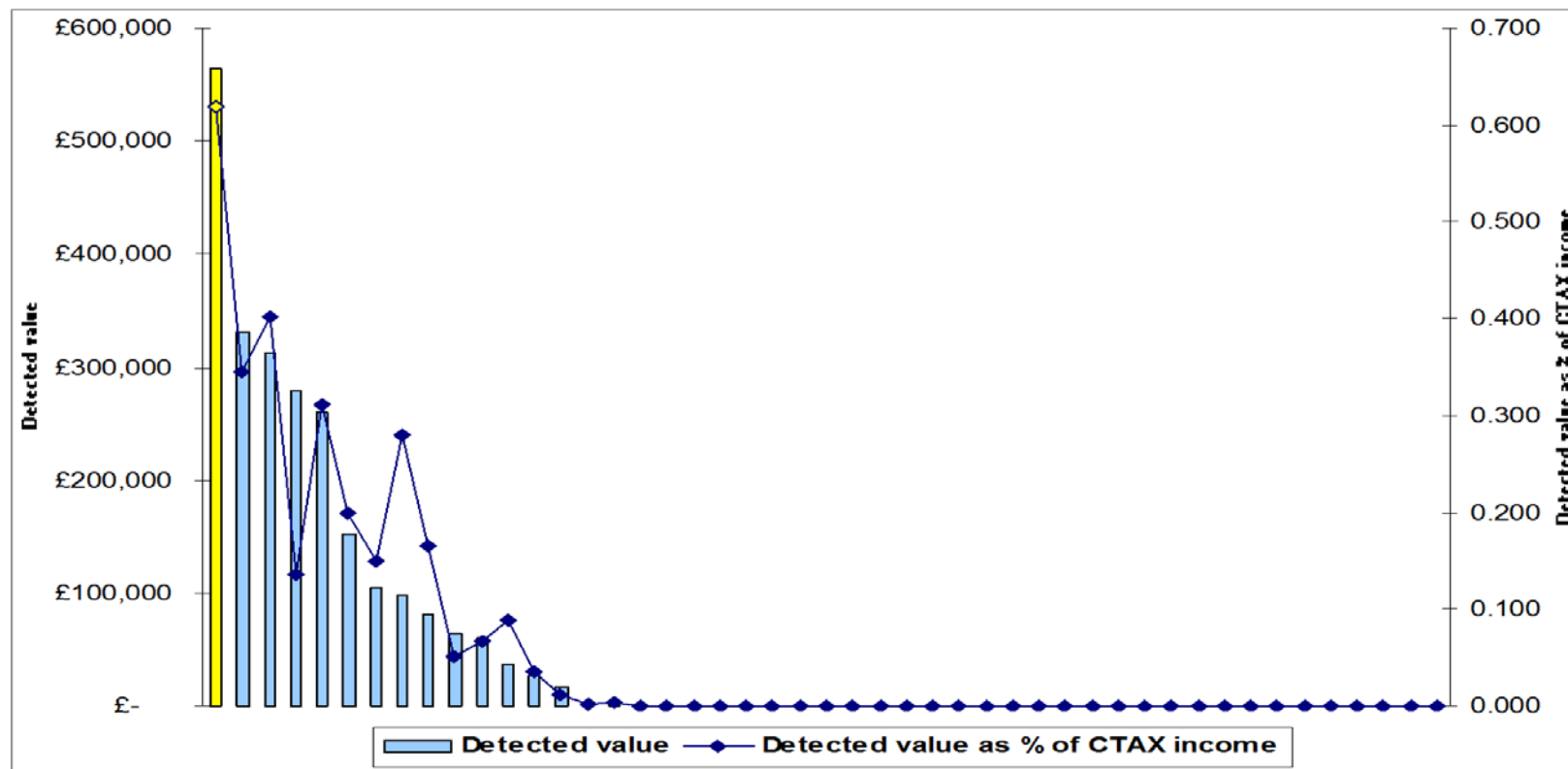
Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities 2012/13

Council tax (CTAX) discount fraud

Detected value and detected value as a percentage of council tax income



Rotherham detected: 1,954 cases, valued at £563,914

Northern average: 154 cases, valued at £50,941

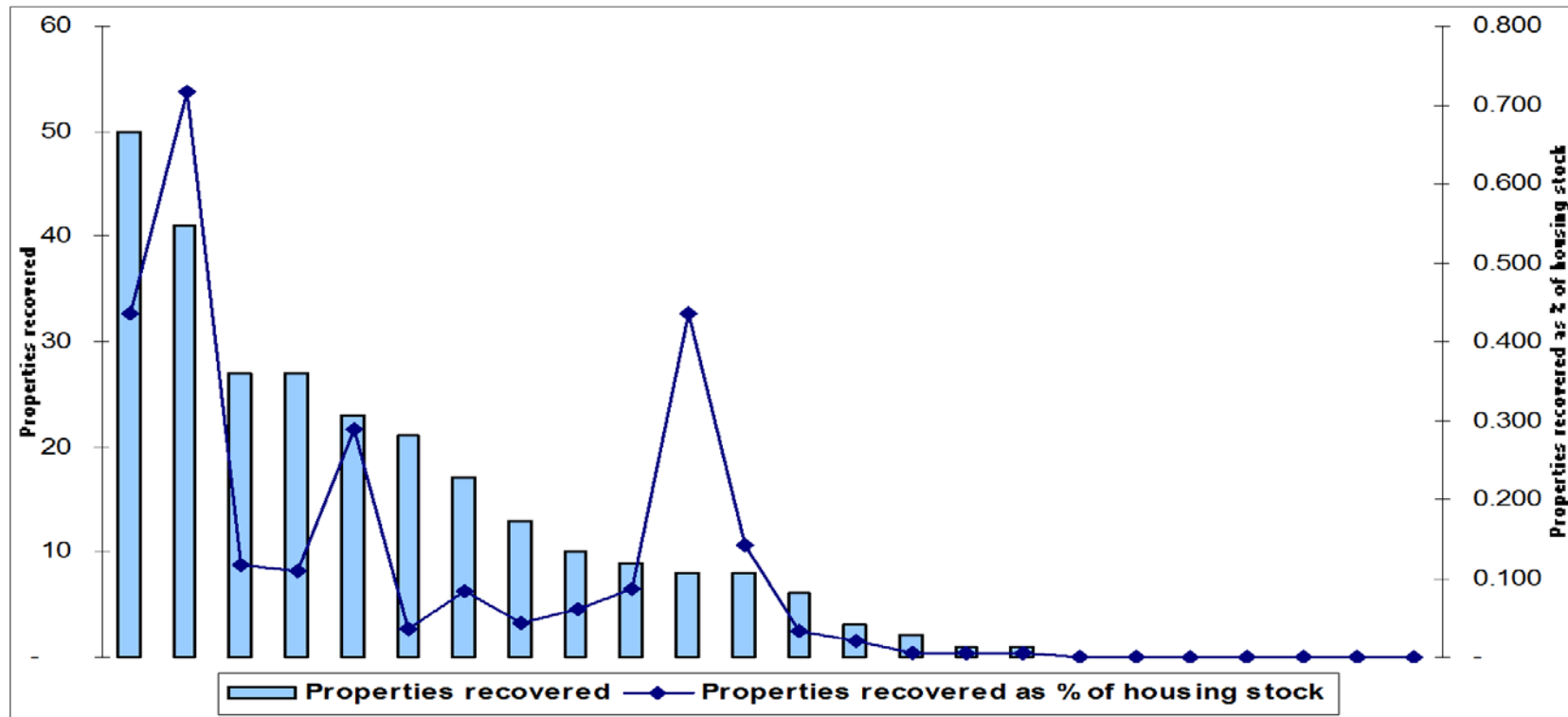
Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities with housing stock 2012/13

Social housing fraud

Properties recovered and properties recovered as a percentage of housing



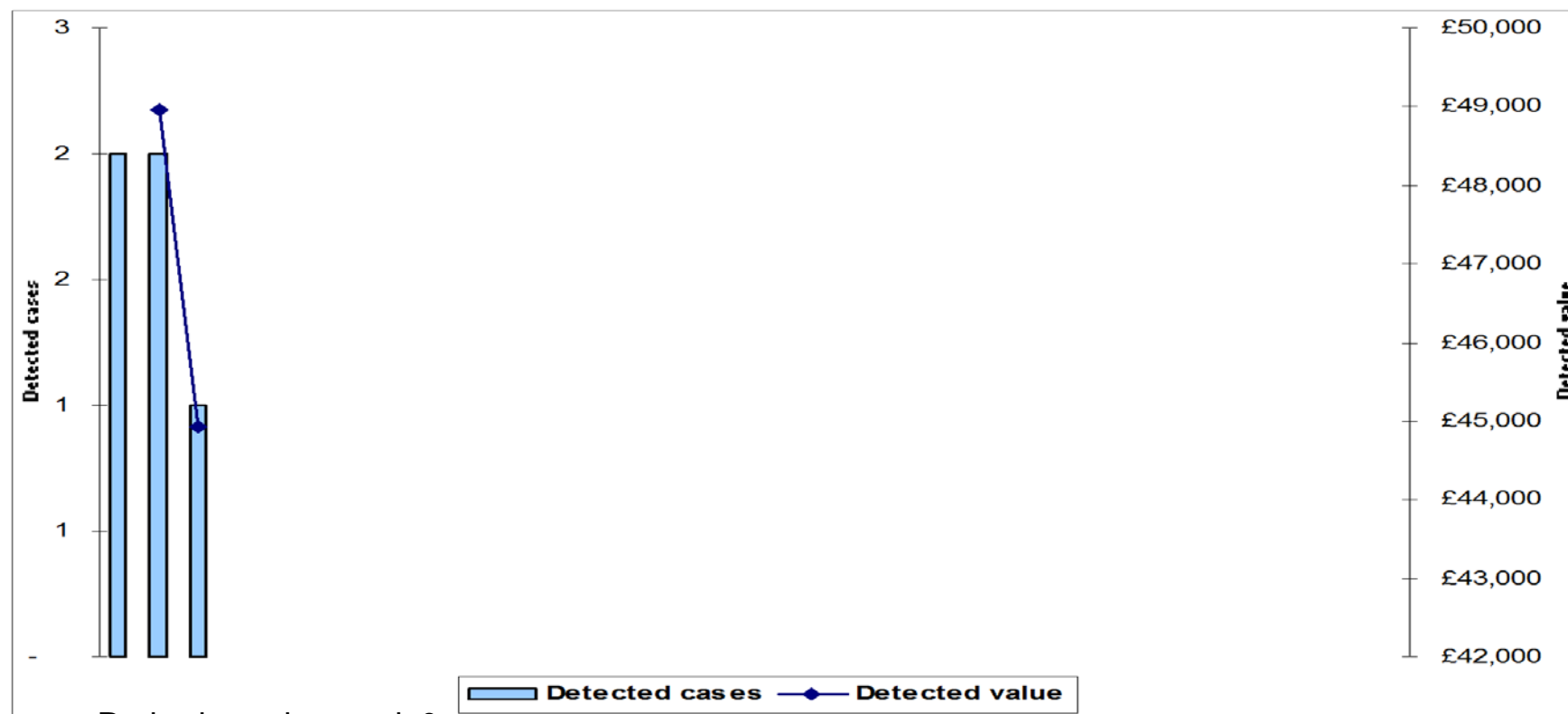
Rotherham detected: 0 cases

Northern metropolitan districts and unitary authorities combined only detected a total of 5 cases, with a total value of £93,885

Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities with housing stock 2012/13 Right to buy fraud Detected cases and detected



Rotherham detected: 0 cases

Northern metropolitan districts and unitary authorities combined only detected a total of 5 cases, with a total value of £93,885

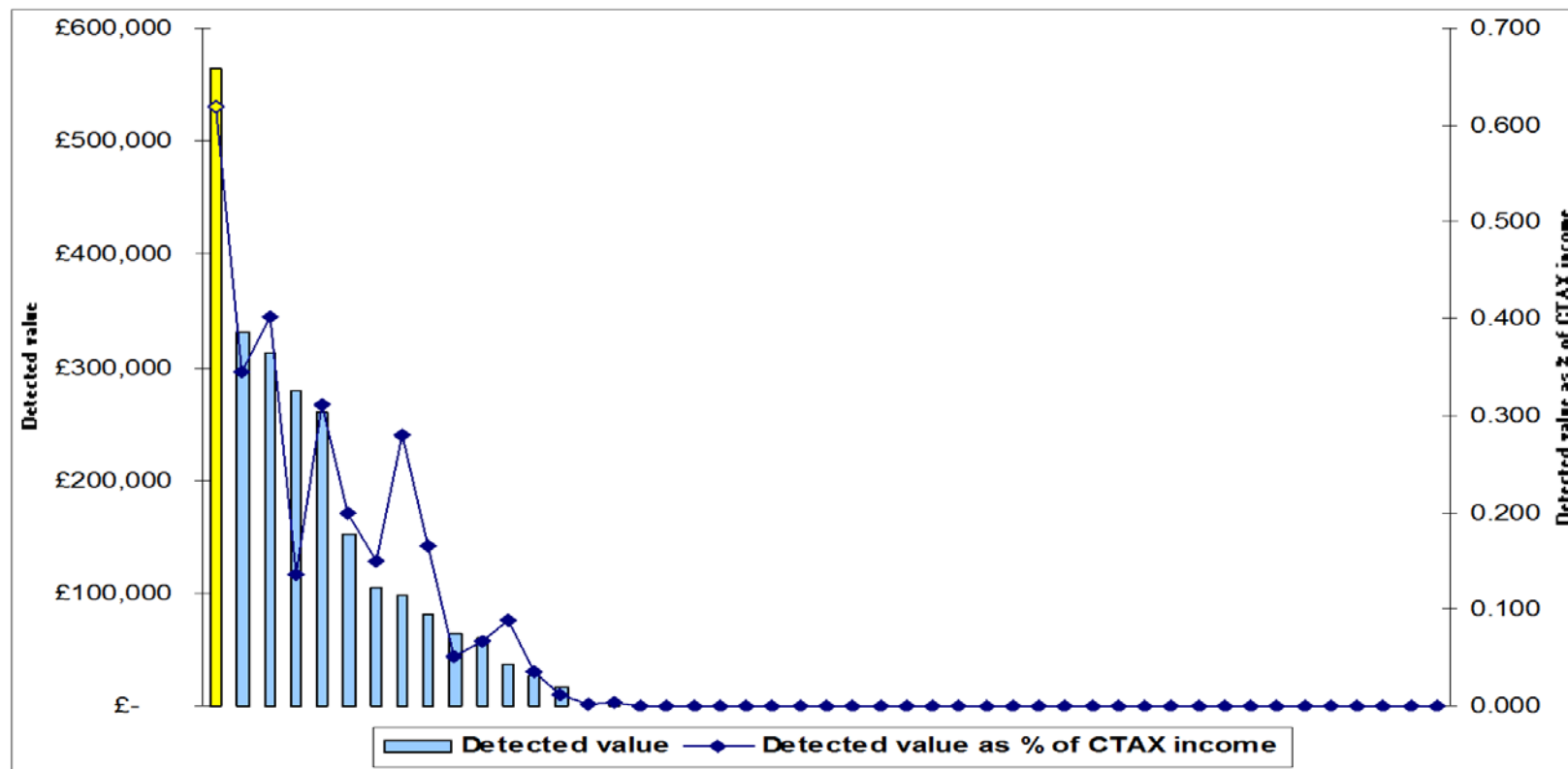
Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities 2012/13

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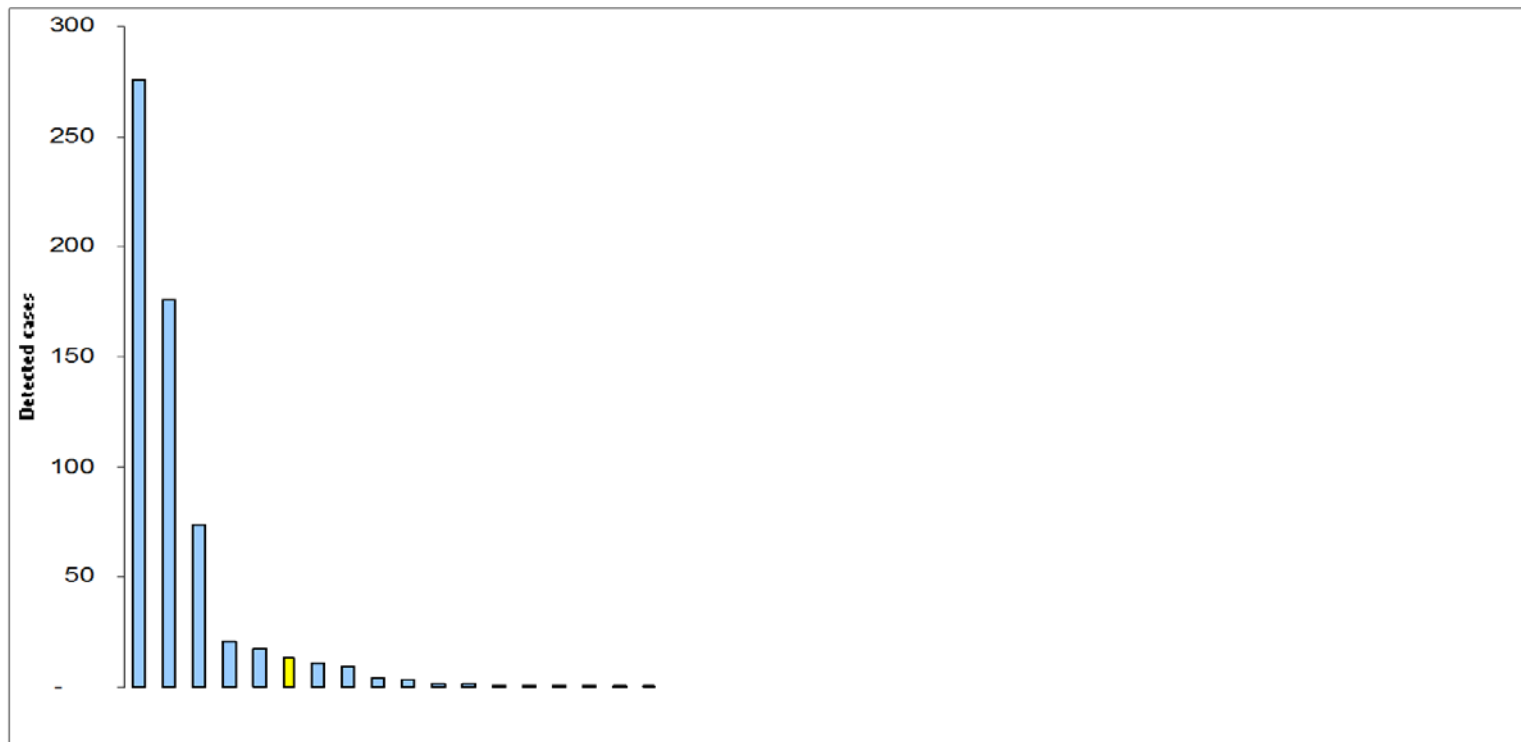
Source: Audit Commission

The local picture

Northern metropolitan districts and unitary authorities 2012/13

Disabled parking (Blue Badge) fraud

Detected cases



Rotherham detected: 13 cases

Northern average: 13 cases

Source: Audit Commission



The local picture

Rotherham Metropolitan Borough Council

Other frauds

Procurement: 1 case, valued at £3,500

(Ave per Northern Met & UA: 1 case, valued at £3,660)

Insurance: no cases

(Total Northern Met & UA: 1 case reported, with no value given)

Social care: no cases

(Total Northern Met & UA: 19 cases reported, valued at £120,396)

Economic & Third sector: 1 case, valued at £1,200

(Total Northern Met & UA: 5 cases, valued at £127,200)

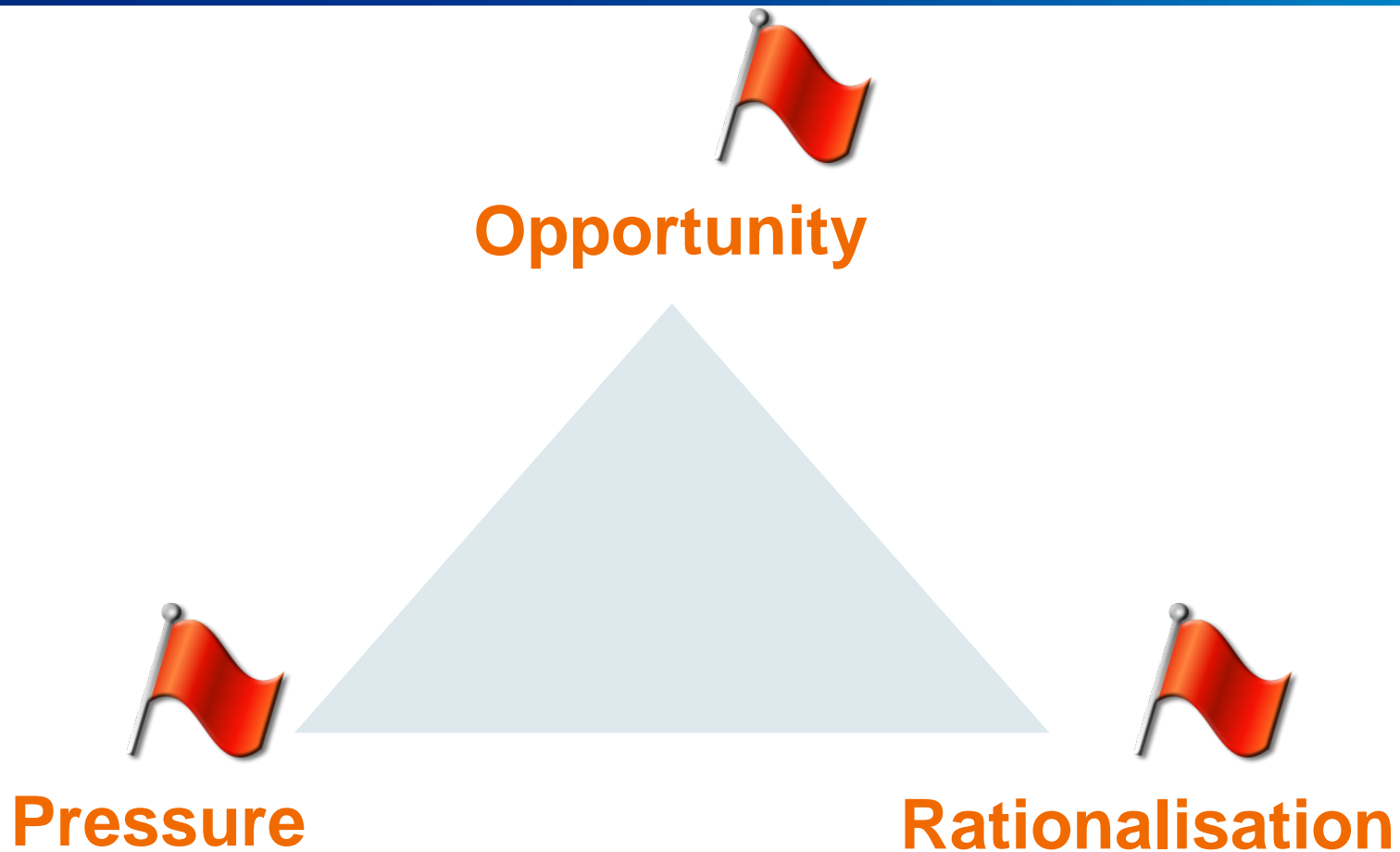
Internal fraud: 6 cases, valued at £2,975

(Ave per Northern Met & UA: 7 cases, valued at £16,635)

*Correctly recording fraud levels is a central element in assessing fraud risk
It is best practice to record the financial value of each detected case*



Fraud drivers





Questions?



Public Sector
counter fraud
team

Forensic

Counter fraud governance
reviews
Whistle-blowing
Bribery Act
Internal fraud awareness
presentations
Data driven intelligence
Responsive advisory services
to assist in prevention/detection

If you would like further information on
counter fraud please feel free to
contact your engagement team.

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