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Protecting the Public Purse Fraud Briefing 2013

Borough of Telford and Wrekin

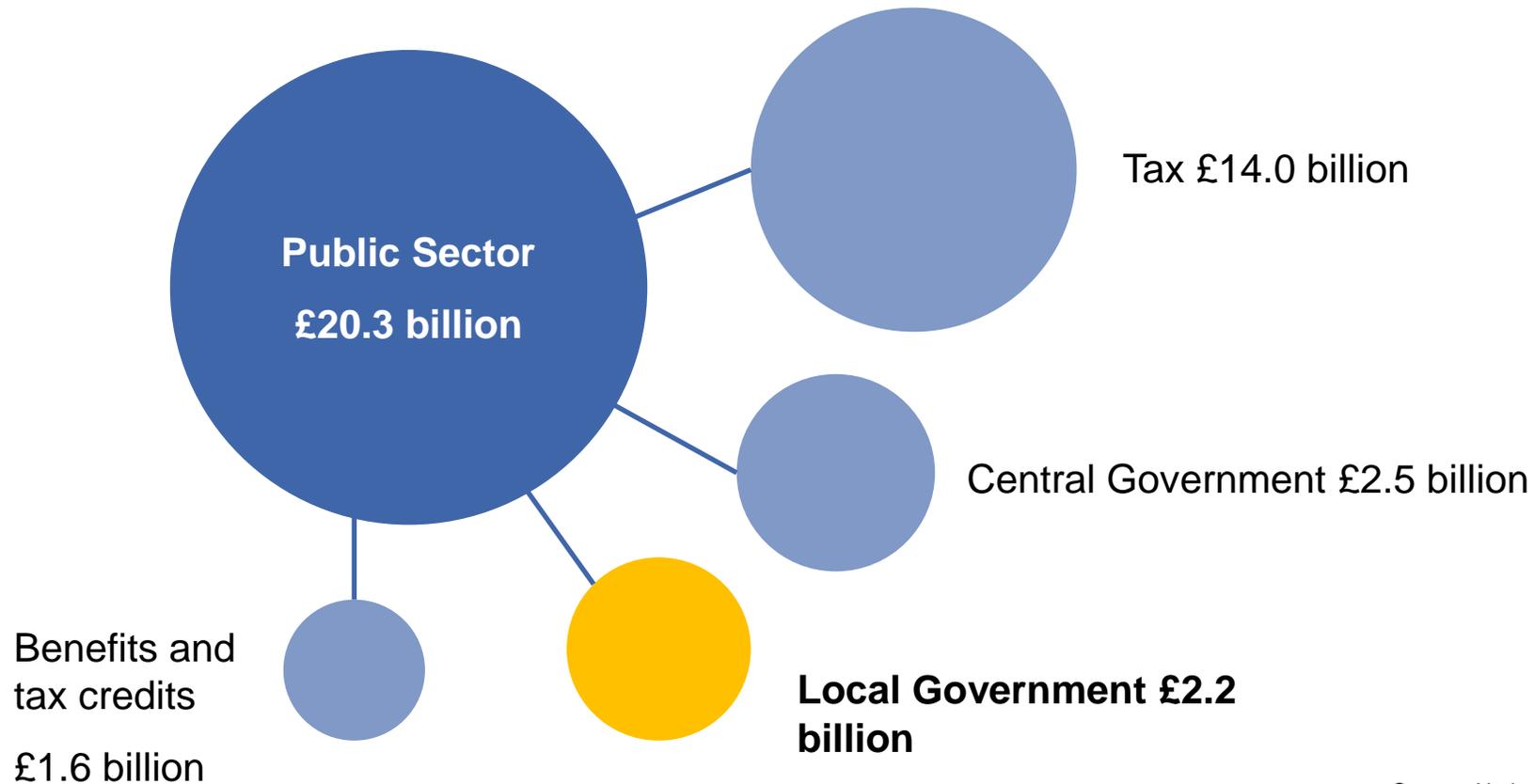
Agenda

- 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

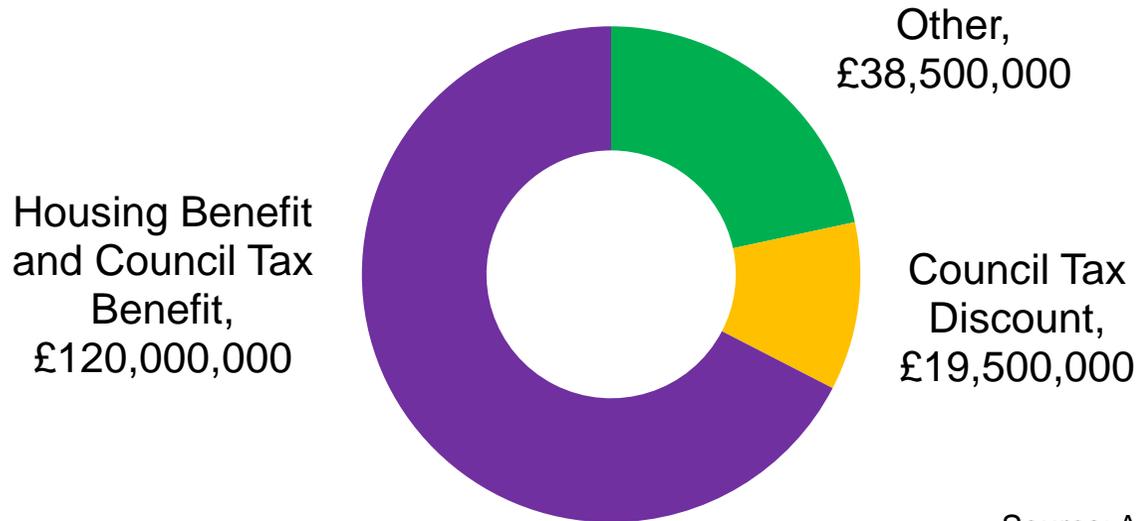
Your council is compared with the metropolitan districts and unitary authorities of the west midlands, east midlands and east of England regions

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

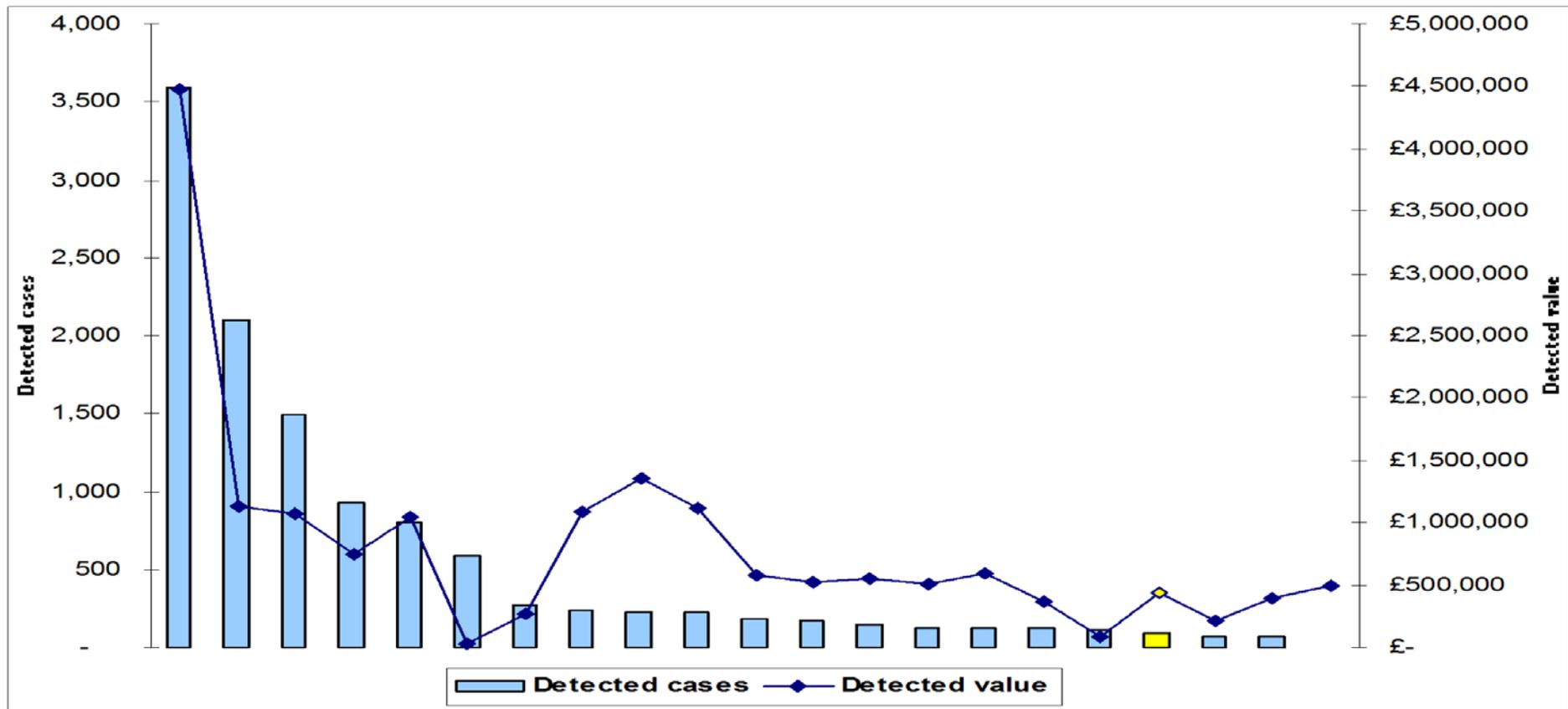
- Contextual and comparative information needed to interpret results
- Detected fraud is indicative, not definitive, of counter fraud performance (prevention and deterrence should not be overlooked)
- No fraud detected does not mean no fraud committed (fraud will always be attempted and even with the 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 Midlands and East of England metropolitan districts and unitary authorities.

Total detected cases and value 2012/13 (excluding social housing fraud)

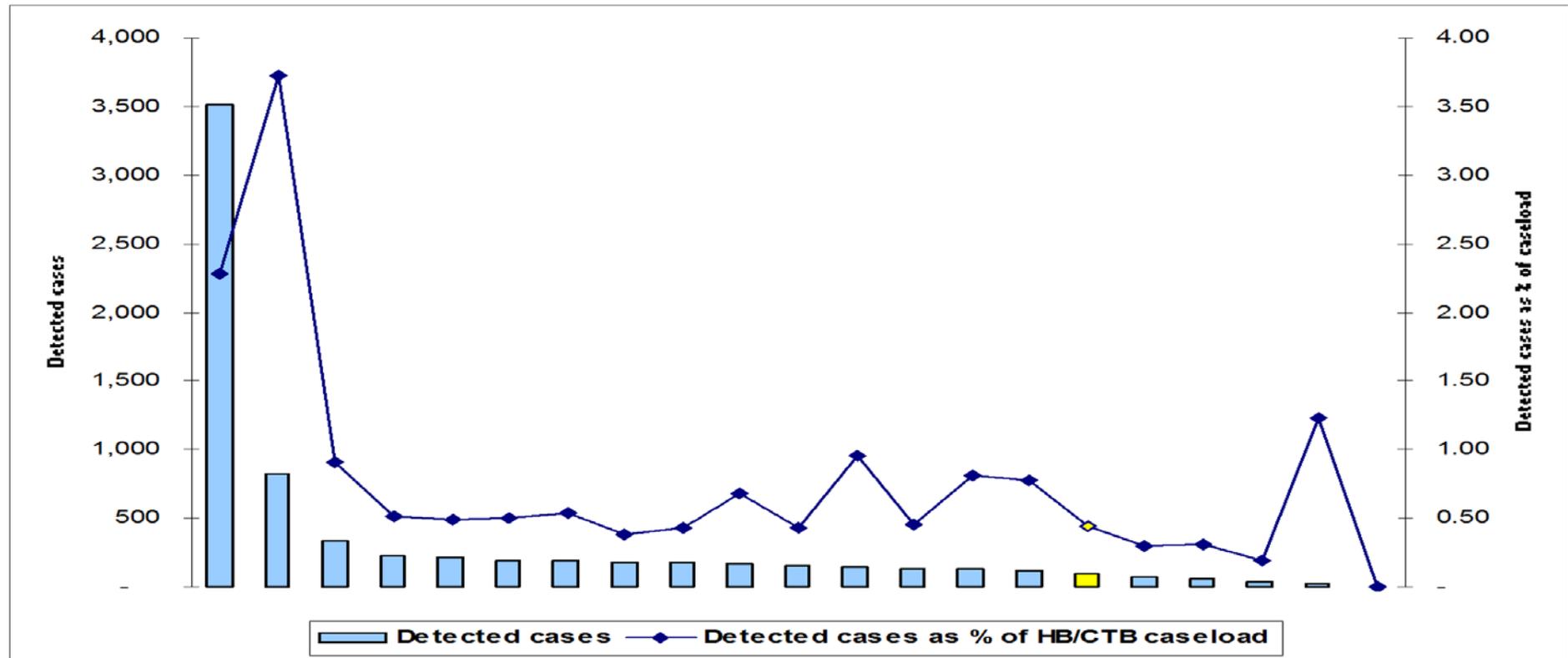


Telford and Wrekin detected: 91 cases, valued at £442,709

Source: Audit Commission

The local picture

Midlands and East of England 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



Telford and Wrekin detected: 91 cases, valued at £442,709

Midlands and East of England average: 332 cases, valued at £698,296

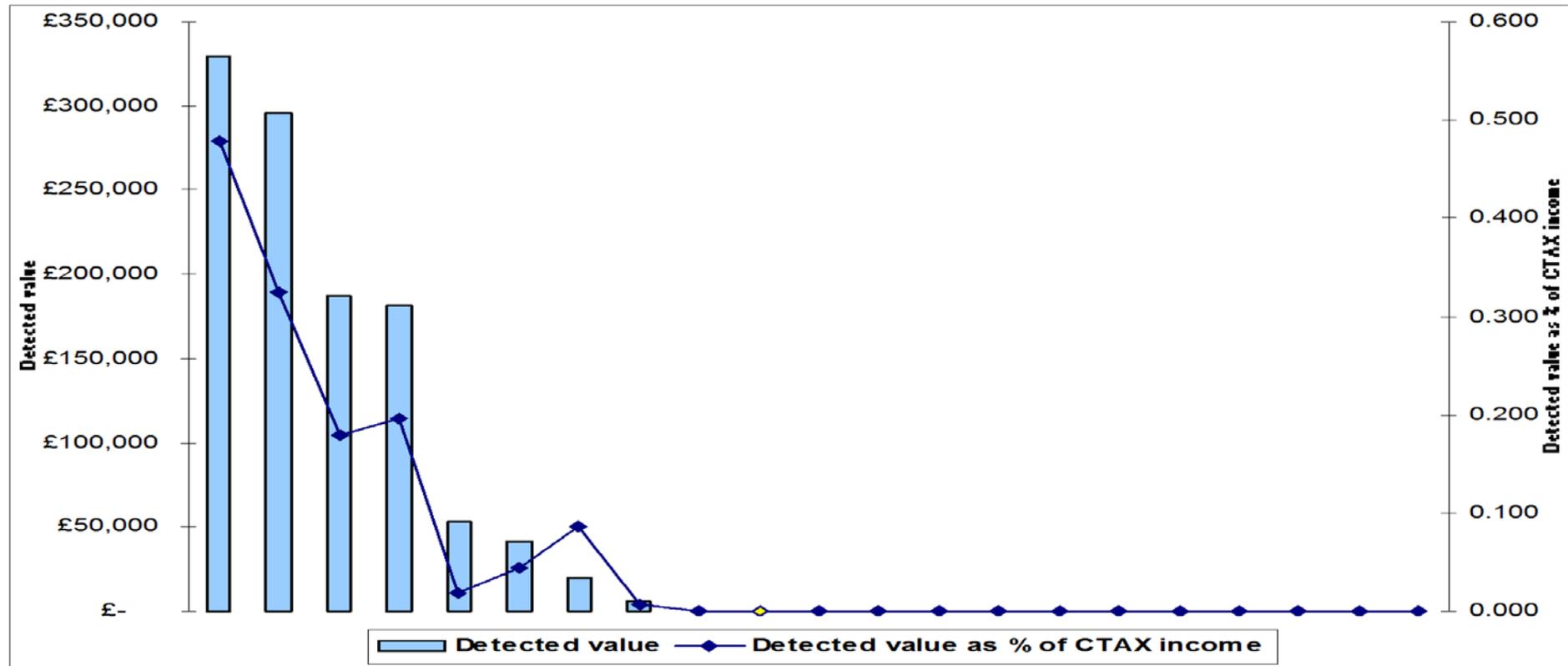
Source: Audit Commission

The local picture

Midlands and East of England metropolitan districts and unitary authorities 2012/13

Council tax (CTAX) discount fraud

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



Telford and Wrekin detected: not recorded

Midlands and East of England average: 188 cases, valued at £53,054

Source: Audit Commission

The local picture

Midlands and East of England councils without housing stock 2012/13

Social housing fraud

It is estimated that:

- 2 per cent of social housing stock outside London is subject to tenancy fraud;
- tenancy fraud represents the second largest financial loss to fraud in local government, costing £845 million in 2013; and
- when combined with the loss to tenancy fraud suffered by housing associations, the total value in England is £1.8 billion – making tenancy fraud five times greater than the annual loss due to housing benefit fraud.

The Prevention of Social Housing Fraud Act 2013 criminalises tenancy fraud

The legislation gives councils investigation powers and the ability to prosecute tenancy fraudsters on behalf of housing associations

Should you be using this legislation to work in partnership with local housing associations?

The local picture

Midlands and East of England metropolitan districts and unitary authorities 2012/13

Disabled parking (Blue Badge) fraud

Detected cases



Telford and Wrekin detected: no cases

Midlands and East of England average: 18 cases

Source: Audit Commission

The local picture

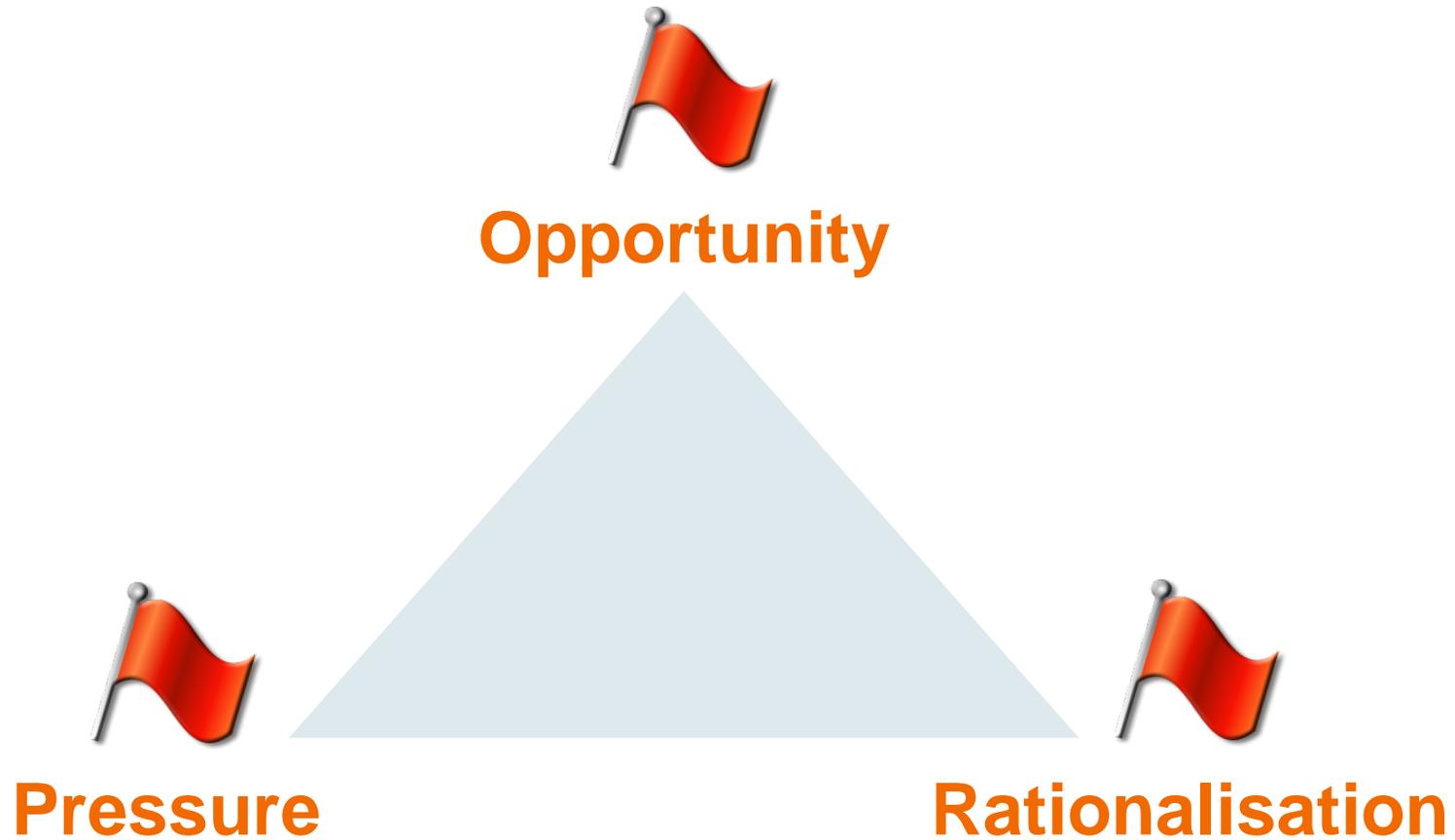
Telford and Wrekin Council

Other frauds

- Procurement: no cases
(Ave per Midlands and East of England Met & UA: 5 cases, valued at £963)
- Insurance: no cases
(Total Midlands and East of England Met & UA: 3 cases reported, valued at £53,500)
- Social care: no cases
(Total Midlands and East of England Met & UA: 5 cases, valued at £140,874)
- Economic & Third sector: no cases
(Total Midlands and East of England Met & UA: 1 case, valued at £34,730)
- Internal fraud: 2 cases, valued at £4,284
(Ave per Midlands and East of England Met & UA: 6 cases valued at £17,791)

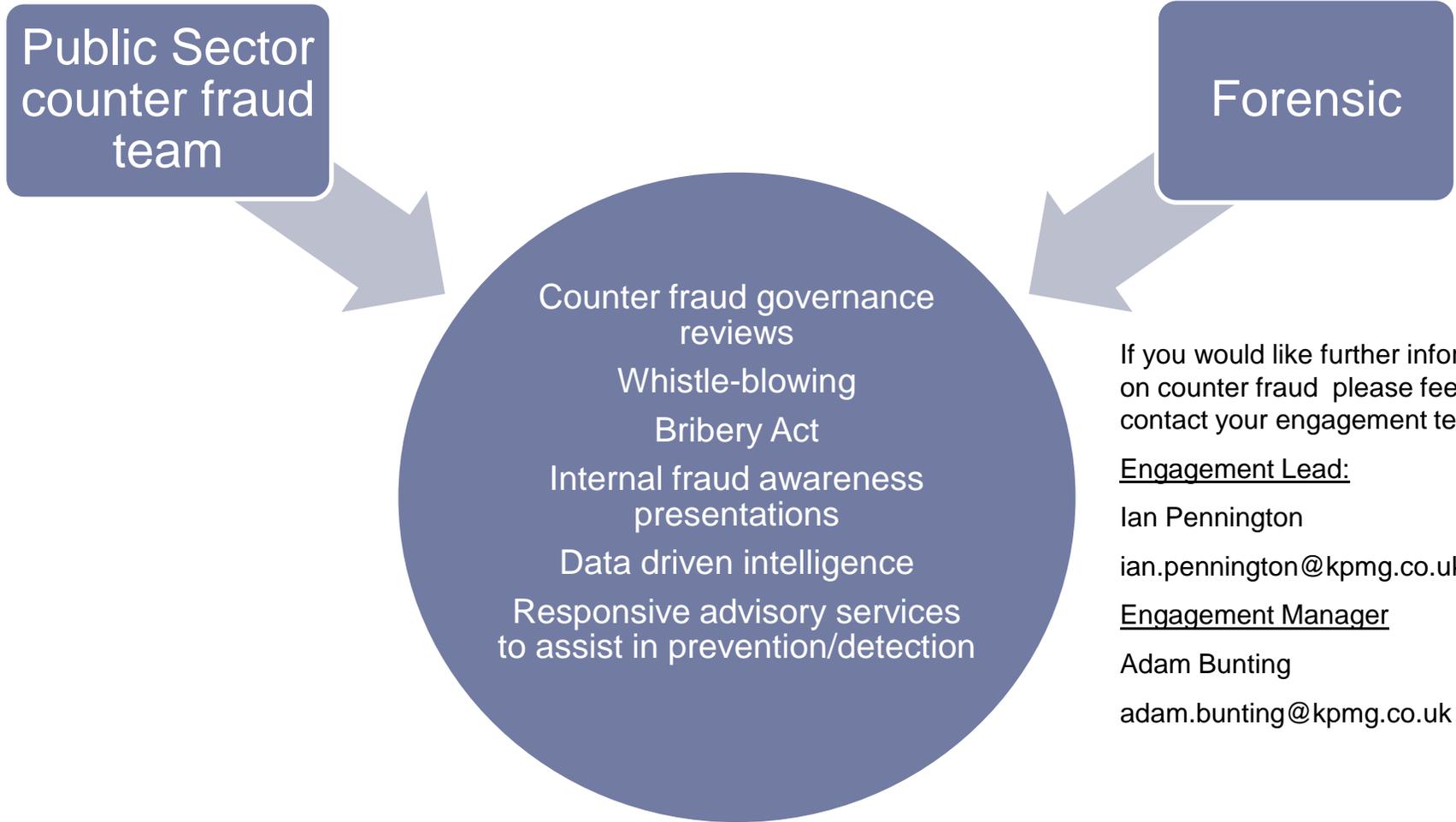
Correctly recording fraud levels is a central element in assessing fraud risk

It is best practice to record the financial value of each detected case



Questions?





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

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