

Agenda Item No: -

Report to: Audit Committee

Date of Meeting: 5 July 2012

Report Title: Fighting Fraud Locally

Report By: Tom Davies
Chief Auditor

Purpose of Report

For the Audit Committee to comment on the Hastings Anti-Fraud Strategy written in response to the recently published strategy report by the government - Fighting Fraud Locally.

Recommendation(s)

- 1. The Strategy be reviewed by the Audit Committee prior to approval by Cabinet.**
- 2. Fraud awareness training to be provided to managers.**

Reasons for Recommendations

All government main fraud agencies have jointly published a strategy report for combatting public sector fraud - 'Fighting Fraud Locally'. This report, in response to the national report, identifies a strategy that the Council can adopt and develop as new threats emerge.

The Audit Committee is asked to scrutinise the strategy and to draw to Cabinet's attention any matters it considers important.

Introduction

1. As part of austerity measures, the government wants local authorities to reduce the estimated £2.2bn being lost to fraud annually.
2. The breakdown of that £2.2bn is as follows:

Fraud Type	Fraud loss
Housing tenancy	£900 million
Procurement	£890 million
Payroll	£153 million
Council tax	£131 million
Blue badge misuse	£46 million
Grant	£41 million
Pensions	£5.9 million

3. The strategy document aims to assist councils through toolkits, co-operation, case studies etc. However, the cost of dealing with fraud can be high relevant to the fraud and so Hastings BC needs to carefully risk assess fraud and then target resources towards those areas. Much of the strategy document is irrelevant to Hastings BC, for example, Housing Tenancy and Pensions, but the principles are the same.
4. The fraud issues raised in the report require a response from Hastings BC to combat fraud. This is being addressed in a new document 'Hastings BC Anti-Fraud Strategy' in its draft stage and shown at Appendix A. The principal controls used to mitigate the risk of fraud are shown in this document.

Wards Affected

None

Area(s) Affected

None

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness No

Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No

Background Information

Fighting Fraud Locally - The Local Government Strategy (available from the Chief Auditor on request).
Appendix A - Hastings BC Anti-Fraud Strategy.

Officer to Contact

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