

**ANGLIA REVENUES PARTNERSHIP (ARP)**  
**JOINT COMMITTEE: DEC 14**  
**REPORT OF FRAUD ACTIVITY**  
**(Author: Lucy Burt)**

**UPDATE OF FRAUD ACTIVITY**

**Purpose of Report**

The purpose of this report is to inform the Joint Committee of the Counter Fraud Activity the ARP is undertaking in order to protect the public purse against fraud.

The current financial climate suggests that the Joint Committee members should be aware of the ongoing Counter Fraud activity being undertaken to both safeguard the tax payer and lead into the Government's stated programme of Welfare Reform.

**1. Performance**

1.1. There has been a downturn in the number of successful investigations due to some complex and lengthy cases. There has been an upturn in the period of time taken to conclude investigations due to the complexity and nature of these cases.

1.2. There has also been an upturn in the number of referrals received which in turn has increased the number of cases accepted for investigation. The net result of this is that some cases have been closed with no formal outcome as it has not been possible to pursue these cases and progress them due to volumes of work.

**2. Single Fraud Investigation Service**

2.1 Phase 1 of transfer of some LA fraud staff to SFIS for the investigation of fraud and error into welfare benefits has been concluded. This has highlighted some issues which are being reviewed and evaluated by DWP.

2.2 ARP partners remain on target for transfer of welfare benefit fraud staff to SFIS with effect from 1<sup>st</sup> September 2015.

2.3 Further work is still required to evaluate the levels of Counter fraud work that will remain for the partner authorities. A report has previously been provided to Joint Committee highlighting these areas within the partner authorities that are vulnerable to fraud and require proactive Counter fraud measures. A further report will be provided to Joint Committee in March 2015 to review the resource required to support this function.

**3 Ongoing Projects**

3.1 Joint working is still being pursued in order to support the Host Authorities in Countering Fraud and to meet the requirements of the National Fraud Authority.

3.2 Data matching software has been procured and is awaiting installation to enable testing. Legal agreements for data sharing within each of the partner and across the ARP partners will be required and will be pursued through Operational Improvement Board.

- 3.3 Intec Fraud Management software has been installed. Parameters are being input and system testing underway. It is anticipated that this project will go live towards the end of 2014.
- 3.4 The automation of the visits and inspection process is ongoing and will utilise the Capita Total Mobile functionality. It is anticipated that testing will commence in early 2015.
- 3.5 A full review of procedures and working practices is underway as a result of the expansion of ARP and inclusion of the 5<sup>th</sup> partner. This will result in alignment of the fraud and visits process across the 5 partners.

#### **4 DCLG Counter Fraud Fund Bid**

- 4.1 A previous report to Joint Committee detailed that a bid had been submitted to DCLG for a share of the Counter Fraud Fund. It was expected that the outcome of that bid would be known by 31<sup>st</sup> October 2014. DCLG have reported that as a result of the vast number of bids received, there has been an extension of that deadline for notification to LA's of the outcomes.
- 4.2 It has now been confirmed that the ARP bid for this Counter Fraud Fund was not successful.

#### **5 Fraud and Error Reduction Incentive Scheme**

- 5.1 On 26<sup>th</sup> November 2014 DWP issued a letter and circular notifying the intended launch of the Fraud and Error Reduction Incentive Scheme.
- 5.2 FERIS is an incentive scheme that offers a financial reward to local authorities that find reductions to Housing Benefit entitlement as a result of claimant error or fraud. FERIS will run from 1 December 2014 to 31 March 2016.
- 5.3 The opt in date for this scheme is prior to the next Joint Committee meeting so it is requested that authority is delegated to OIB to authorise opt in to this scheme once the relevant risks and potential gains are identified and reviewed.

Lead Contact Officer:

Name/Post Lucy Burt Fraud and Visits Team Manager

Telephone: 01842 756451

Email: [lucy.burt@angliarevenues.gov.uk](mailto:lucy.burt@angliarevenues.gov.uk)