

## Recommendations made in PPP 2011 and Leeds City Council self- assessment and action plan

Ref	Recommendation made in PPP 2011 report	IA assessment of current position	Details of current arrangements upon which IA based assessment	Action needed	Responsibility & Target Date
1.1	Councils should ensure they keep the capability to investigate fraud that is not related to housing benefit.	Substantial assurance	Internal Audit is not aware of any proposals to remove the responsibility for the investigation of non housing benefit fraud away from the council and there is a dedicated team in Internal Audit to deal with non benefit counter fraud work.	No action needed.	Internal Audit Counter Fraud and Corruption Team
1.2	Councils should improve their use of data, information and intelligence to focus their counter-fraud work.	Substantial assurance	Data matching is being undertaken in partnership with a credit reference agency to identify fraudulent discount and other benefit claims and intelligence on risks areas and benchmarking information is shared between the West and South Yorkshire Fraud Investigators Group (SWYFIG).  The Council also takes part in the National Fraud Initiative (NFI) data matching exercise and a fraud risk register has been compiled after analysis of local and national risks and cases which is to be updated at regular intervals based on the latest information and intelligence available.	No action needed.	Internal Audit Counter Fraud and Corruption Team  Ongoing.
1.3	Councils should review their counter-fraud arrangements in the context of the NFA's strategy for local government 'Fighting Fraud Locally', to be published shortly.	Substantial assurance	'Fighting Fraud Locally' is yet to be published, however it is intended to review our arrangements in line with this document in a similar method to that undertaken on the release of the CIPFA 'Managing the Risk of Fraud' (Red Book 2).	To undertake a review of our counter-fraud arrangements in the context of 'Fighting Fraud Locally' upon its publication and feed the findings of this review into our update of the corporate strategy.	Internal Audit Counter Fraud and Corruption Team  Ongoing
1.4	Councils should work with other registered social housing providers to improve the use of civil and criminal action to deter tenancy fraudsters.	Substantial assurance	The Housing Partnerships team in Environment and Neighbourhoods has been working closely with ALMO's and other Registered Social Landlords to increase the number of tenancy visits and suspicions of tenancy fraud reported by neighbours and contractors.  Internal Audit is currently producing data matching reports using information provided by our credit reference agency partner in line with best practice to identify further potential fraudulent housing tenancies for investigation using cost efficient means.  Housing tenancy fraud is currently unlawful rather than illegal, making	Consideration should be given to investigating and prosecuting more unlawful tenancy and fraudulent application and succession cases criminally and taking legal action to recover fraudulently gained profits from subletting and other tenancy fraud when new legislation is introduced.	Housing Partnerships team in Environment and Neighbourhoods (formerly Strategic Landlord)/ ALMO's/ Internal Audit Counter Fraud and

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			<p>it difficult to prosecute a case criminally, seek recompense for any losses or recover fraudulent profits on this basis. Investigations to date have therefore been focused on recovering properties and there has been no direct recovery of funds from fraudsters to date.</p> <p>New legislation has been proposed by the government to take criminal action against those abusing the system, making it easier to evict and imprison them. A consultation document on this area is due to be issued shortly by the CLG. When this is issued further work will be undertaken regarding taking redress action to target fraudulently obtained profits.</p>		Corruption Team Ongoing
1.5	Councils should use the Audit Commissions single person discount (SPD) fraud predictor toolkit to assess the potential level of such fraud locally.	Substantial assurance	<p>The Audit Commissions SPD comparator tool estimates that for one year Leeds City Council could save £1,240,320 in potentially lost revenues by taking effective action against SPD fraud. This is based on an estimated 4% of all claims being fraudulent in accordance with the findings of PPP 2009 and 2010.</p> <p>The council is currently undertaking a review of SPD claims with a view to cancelling fraudulent claims.</p>	No further action needed.	Internal Audit Counter Fraud and Corruption Team  Ongoing
1.6	Councils should review their performance against the NFA's good practice on tackling housing tenancy and council tax fraud.	Substantial assurance	<p>The 2010/11 Internal Audit report '<i>Tenancy Enforcement Policies and Procedures</i>' found new subletting procedures have already been introduced in response to using '<i>Tackling Unlawful Tenancy and Occupancy: Good Practice Guidance for Social Landlords</i>' (November 2010). This document had also been reviewed to identify organisations undertaking effective schemes in relation to sub-letting. These were then contacted by the Housing Partnerships team to gather more detail about what they do in order for us to evaluate whether to implement them.</p> <p>The NFA guidance on council tax fraud has not been published yet, but will be considered against our current arrangements when it is.</p>	To undertake a review of performance against the NFA's good practice on tackling council tax fraud upon its publication.	Internal Audit Counter Fraud and Corruption Team  3 months after publication.
1.7	Councils should ensure the National Fraud Initiative (NFI)	Substantial assurance	Work on the 2010/11 National Fraud Initiative (NFI) matches is ongoing throughout the authority. Certain matches have been	No further action needed.	Internal Audit Counter Fraud

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	data matches are followed up effectively, including those targeting council tax abuse (due for release in February 2012).		highlighted for further Internal Audit investigation and sanction action has already commenced regarding one employee. Data from the Electoral Roll and Council Tax system is currently being compiled for submission to the Audit Commission.		and Corruption Team June 2012
1.8	Councils should review personal budget arrangements to ensure safeguarding and whistleblowing arrangements are proportionate to the fraud risk.	Acceptable assurance	Internal Audit undertook a brief systems review of the Self Directed Support (direct payments) team and made recommendations to improve controls. The LCC Whistleblowing and Raising Concerns policies specifically states it should be used to raise concerns regarding the safeguarding of children and young people in line with the guidance given on the <a href="#">Ofsted Safeguarding Children hotline</a> web pages but has not yet been amended to include whistleblowing related to direct payments for Adult Social Care.	To establish joint working arrangements between Internal Audit and the Direct Payments team for both proactive and reactive counter fraud work in this area. To amend the Whistleblowing and Raising Concerns Policies to included reference to direct payments fraud concerns.	Adult Social Care Finance Team Internal Audit June 2012
1.9	Councils should follow good practice and match the success of others.	Substantial assurance	Internal Audit attend the West and South Yorkshire Fraud Investigator Group (SW YFIG) meetings where strategic best practice is shared on a regular basis and passed on electronically throughout the group as and when it is identified to ensure it can be considered and implemented as soon as possible. Benchmarking is also to be undertaken with other SWYFIG members regarding proactive and reactive work to further identify and adopt best practice on an operational level.	No further action needed.	Internal Audit Counter Fraud and Corruption Team Ongoing
1.10	Councils should use the checklist for those charged with governance (provided as Appendix 1 to the report) to review their counter-fraud arrangements.	Substantial assurance	See Appendix 2.	As outlined in Appendix 2.	Internal Audit Counter Fraud and Corruption Team