



National Fraud
Authority

Local Government Fraud Strategy

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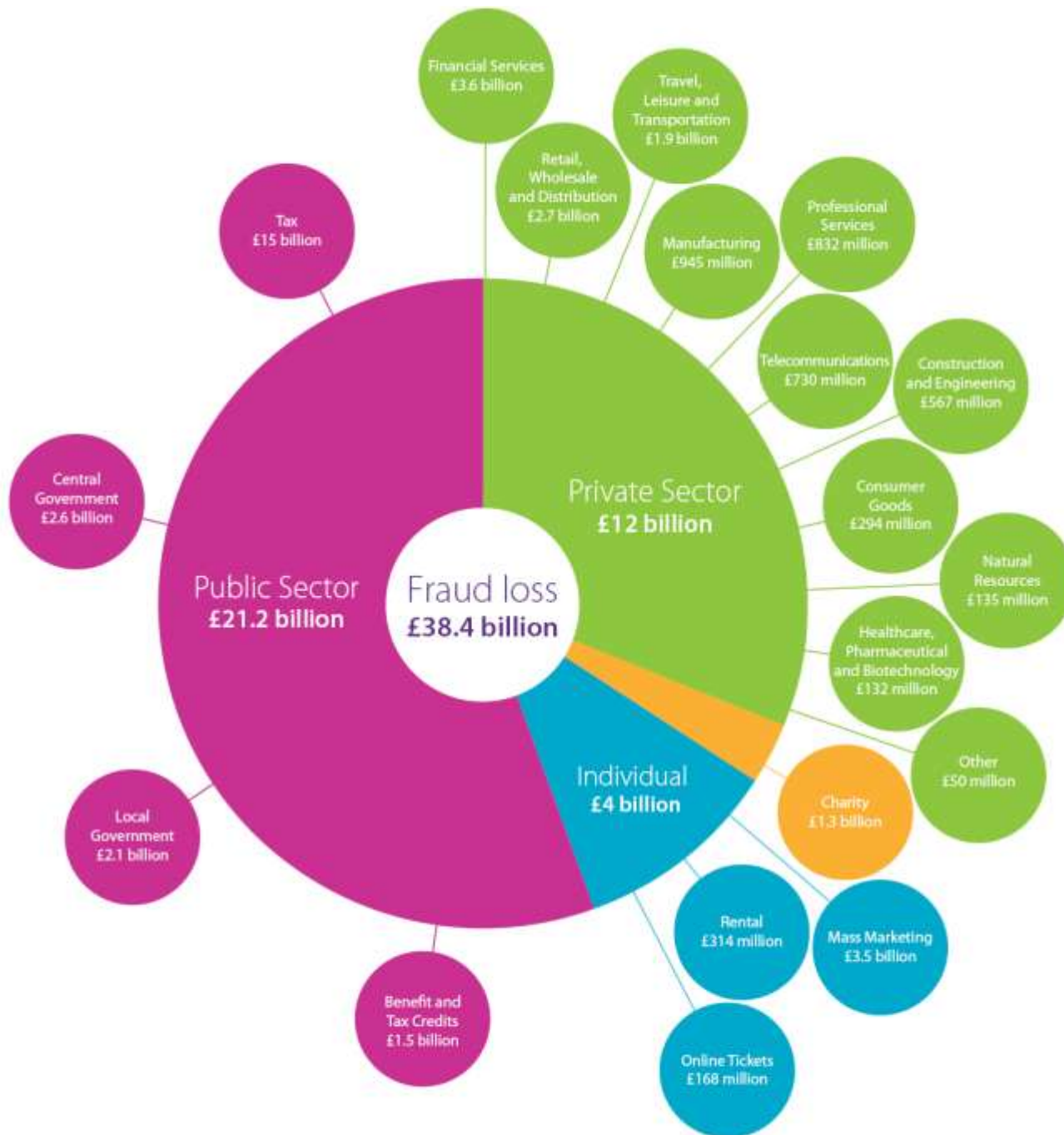
Introduction

- Who are the National Fraud Authority?
- Fraud in the public sector
- Local government initiatives and projects
- Local government fraud strategy
- Your views on local government fraud strategy

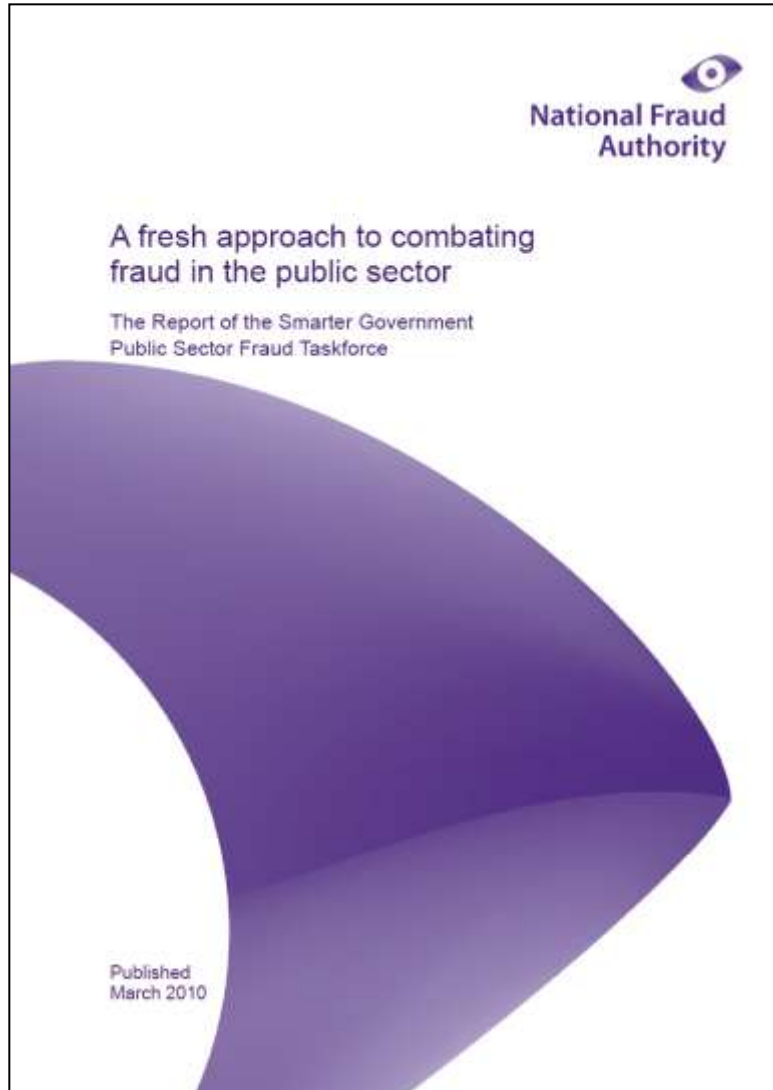


Who are the National Fraud Authority?

- We are an executive agency of the Home Office
- Working through and with our stakeholders we will:
 - Drive and co-ordinate the delivery of targeted fraud interventions
 - Build awareness of fraud
 - Improve support for victims
 - Co-ordinate the efforts of the counter-fraud community
- Improve the country's ability to **prevent**, **deter**, **disrupt**, **detect**, **prosecute** and **punish** fraudsters and **recover** assets.



Fraud in the Public Sector



- Published in March 2010
- 33 recommendations on how government can tackle public sector fraud
- Focus on prevention and early detection of fraud

Lessons learned from private sector

1

Preventing fraud is more effective than acting after it has occurred

2

Fraud prevention and the customer experience is not mutually exclusive

3

Data needs to be shared with organisations that face the same threats

4

Fraud prevention activity needs to be funded and carefully incentivised

5

Data sharing and analytics has to be at the heart of fraud prevention

Public Sector is now firmly on the political agenda.....

Taskforce members



Private sector advisors



Data analytics suppliers



Now what...?

NFA-led Action Plan

- Lead and co-ordinate action on procurement fraud, grant fraud, insider fraud and local government fraud
- Advocate greater emphasis on fraud prevention and application of private sector techniques
- Integrate work on identity crime, use of false accommodation addresses and insider-enabled fraud across government
- Mitigate risks in the transition from old to new systems of delivering public services





LG Initiatives and projects (1)

Best Practice Guides

- **Housing tenancy fraud** - £900 million annual loss with 50,000 homes unlawfully occupied
- **Council tax fraud** - £90 million annual loss in SPD plus other problem areas identified e.g. students and empty properties





LG Initiatives and projects (2)

Pathfinders and Pilots

- Housing tenancy – NFA / LA pathfinders using credit reference agency checks to verify circumstances - potential for cashable savings for local authorities
- Council tax – NFA / LA pathfinder £871,000 savings by checking circumstances at gateway
- School admissions and blue badges



LG Initiatives and projects (3)

FFL Oversight Board Sub-Groups

- Incentives
- Policy interaction
- Compendium of powers and penalties
- Information sharing
- Individual LA fraud assessments



LG Initiatives and projects (4)

Other work

- Framework contract – making CRA checks cheaper for local authorities
- Contributing towards Protecting the Public Purse – collating in more case studies to share with local authorities
- Updating the Fraud and Corruption manual – working with Audit Commission and CIPFA to improve guidance for local authorities
- Partnership working

Fighting Fraud Locally

Introduction to Fighting Fraud Locally

- NFA are leading on the development of a new fraud strategy for tackling fraud in local government over the next five years
- Life beyond benefit fraud, coping with spending cuts plus fitting in with the localism agenda...
- Project initiated in March 2011 – we now have DCLG, CIPFA, Audit Commission, LAIOG, LBIG, LGA, IRRV supporting and contributing to this strategy.
- Project led by our Local Government Fraud Oversight Board

Why do we need a fraud strategy?

- Need to close gaps created by a high number of disparate organisations exploited by fraudsters
- Move the focus of local government to prevention and early detection
- Standardized approaches to dealing with fraud will mean a more effective response to common fraud threats
- Will help make the National Fraud Strategy more meaningful to local government



Other considerations...

- Move to SIS means that investigative resources may reduce by 2013 if fraud risks (and savings) are not highlighted
- Lots of good work happening that can be shared with others – avoid reinventing the wheel
- Abolition of Audit Commission leaves a gap in the national response
- Stakeholders are generally supportive of a new fraud strategy being developed. We should utilize this support and make good use of it.
- Cuts may result in a reduction in resources meaning we need more joint working and a need for a preventative approach to be taken



Engagement

- We need to gain the support of your Chief Executive and Director of Finance and demonstrate that:
 - Counter fraud work is necessary
 - Local Authorities can **SAVE** money by tackling fraud

We also rely on your support

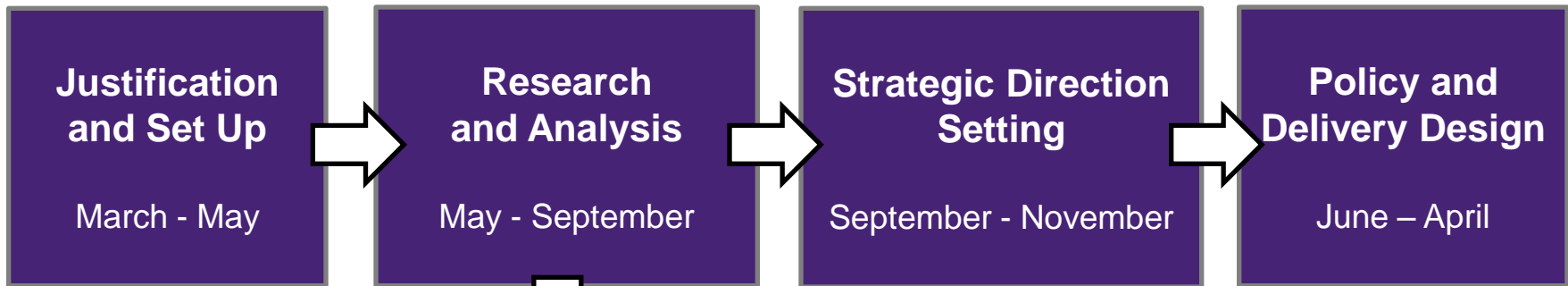
- **Workshops** – May / June and again in September
- **Focus Groups** – technical subjects or areas where we need more in depth understanding and knowledge
- **Consultation** on the draft strategy in September



Workshop / Focus Groups

- We need your knowledge, insight and experience to guide us in producing a strategy that will bring together counter fraud work in local government and help us produce a sensible and well informed strategy
- Not just about the strategy – focus of our work will be on developing the delivery plan and associated tools for helping local authorities deliver financial savings
- Let us know how we can help you and help us identify where we can add value. Share your knowledge and expertise with us.

Timescales and Strategy Process



The aim of this phase is to develop a comprehensive and accurate understanding of fraud risks and key issues in tackling fraud in local government and develop further the best available knowledge of how to respond to these issues.

- Workshops
- Focus groups
- 1:1 meetings
- Research
- Consultation

Launch Event

- In November we will be hosting a launch event for the strategy and counter fraud tool kit
- We are looking for buy-in from your Chief Executive. To do this we need to highlight how important counter fraud work is.
- November is just the start of a 5 year plan...





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