



*cutting through complexity™*

# Protecting the Public Purse Fraud Briefing 2013

**Gloucester City Council.**

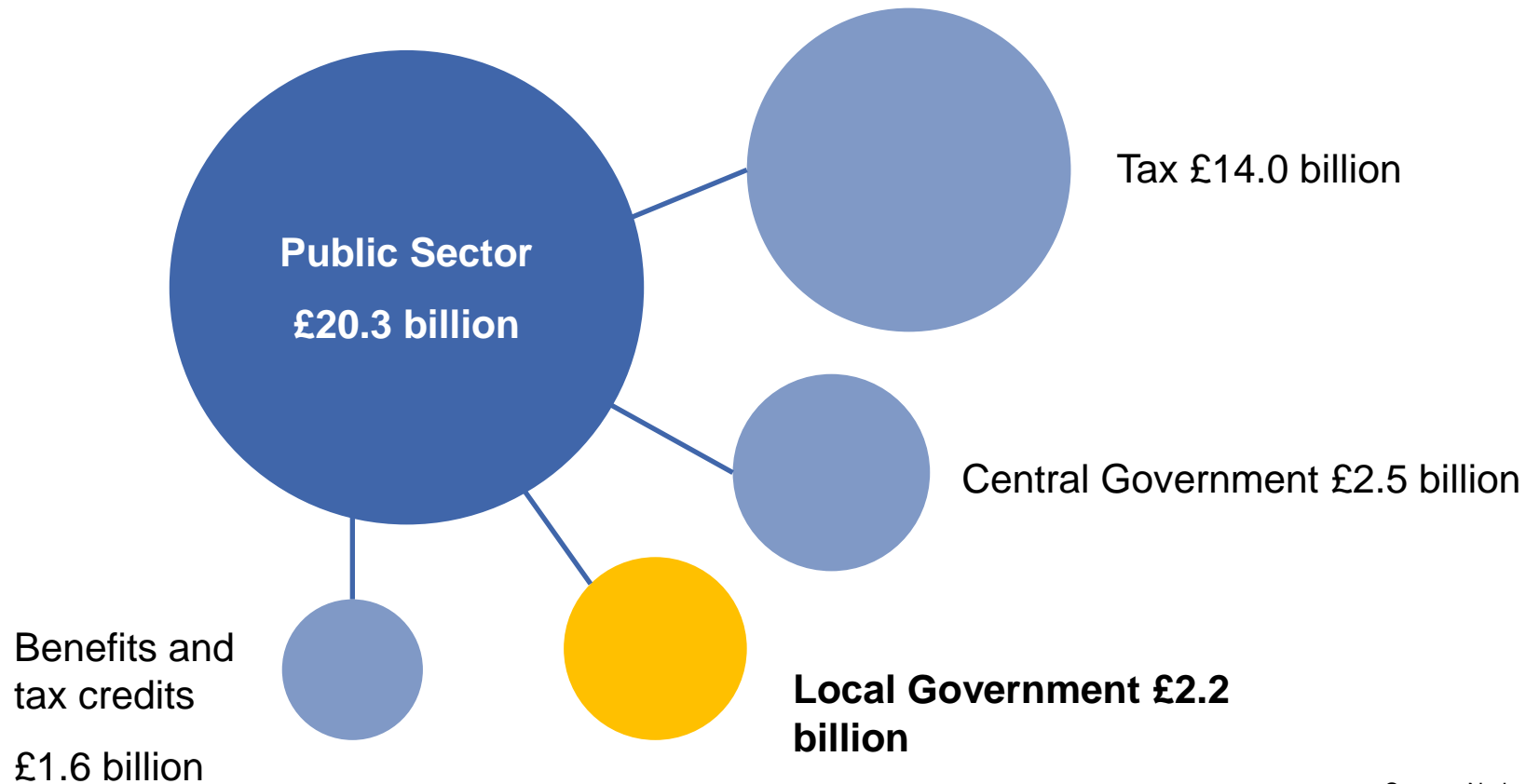
# Agenda

- 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

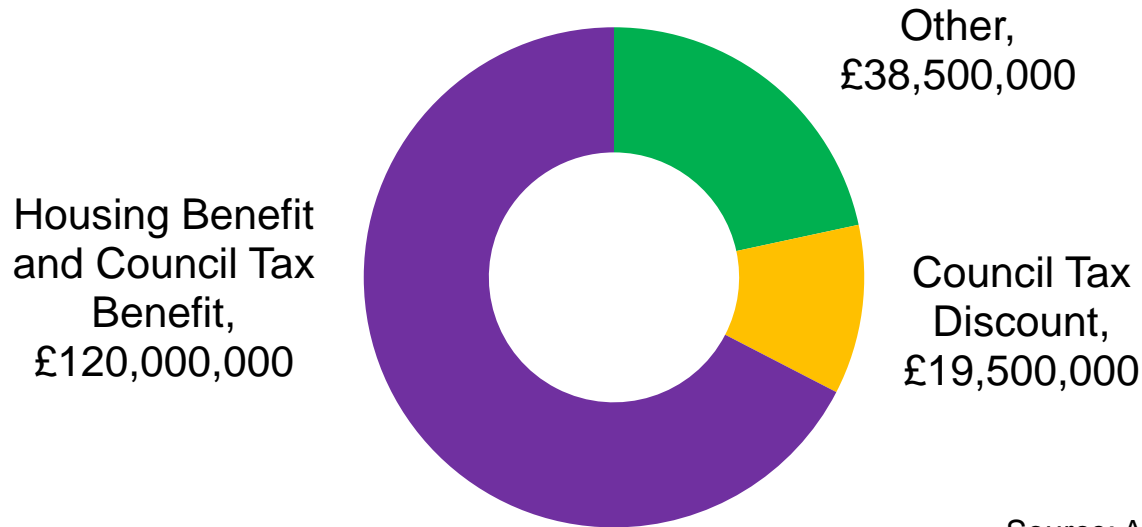
*Your council is compared with other district councils in the south west and county area*

# 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

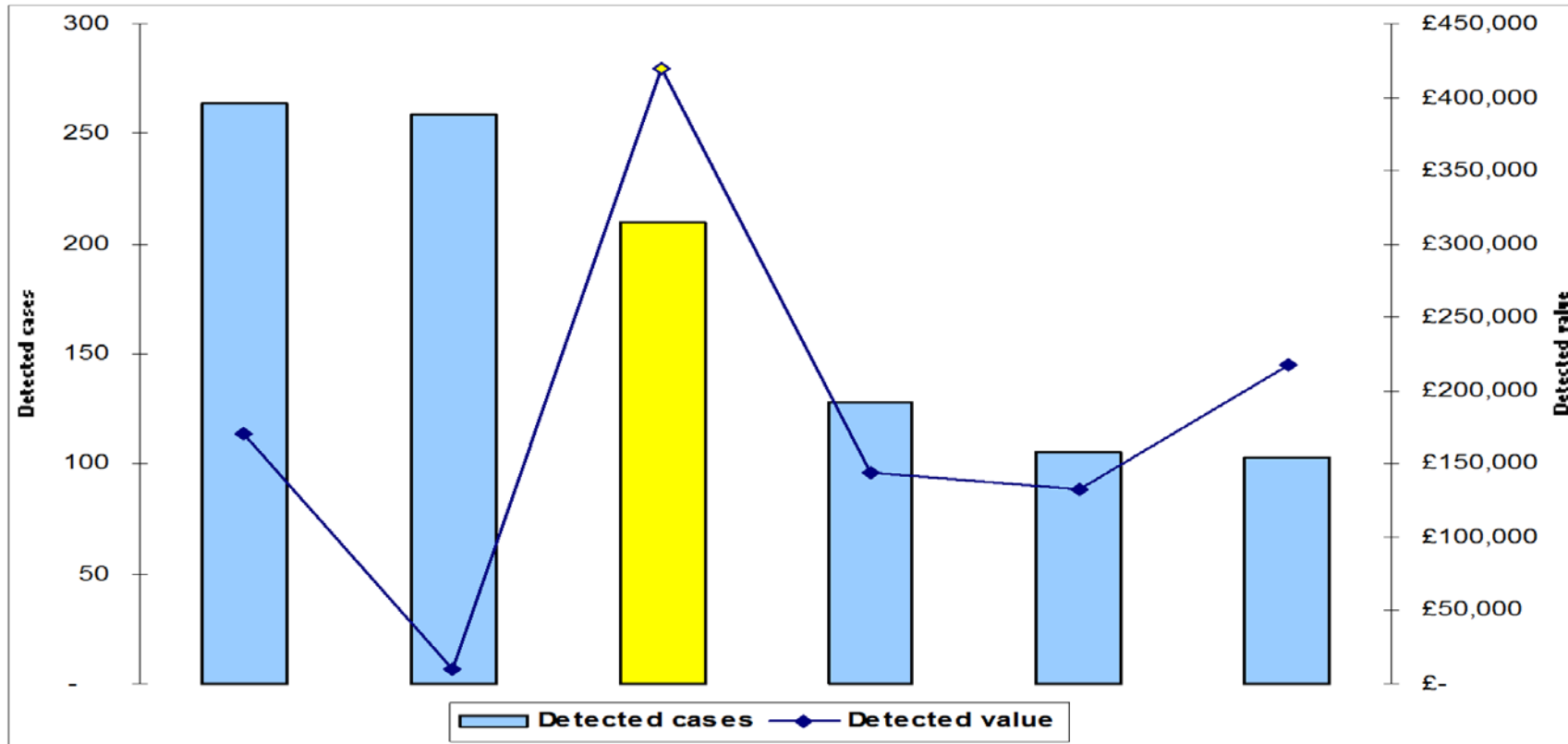
# Interpreting fraud detection results

- 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 district councils in your county area Total detected cases and value 2012/13



Gloucester detected: 210 cases, valued at £419,380

DC average for your county area: 178 cases, valued at £182,518

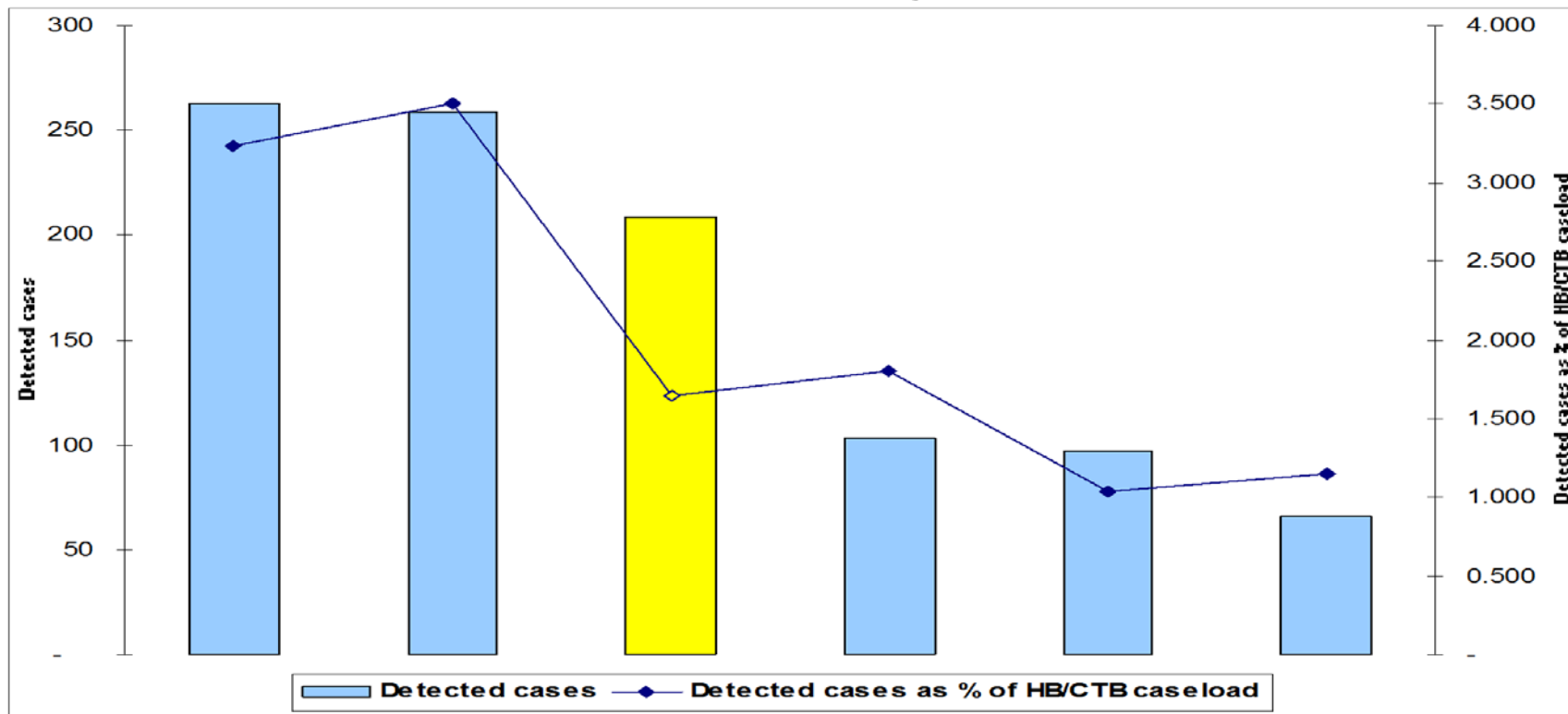
Source: Audit Commission

# The local picture

## District councils in your county area 2012/13

### Housing benefit (HB) and Council tax benefit (CTB) fraud

#### Detected cases and detected cases as a percentage of HB/CTB caseload.



Gloucester detected: 209 cases, valued at £419,380

DC average for your county area: 166 cases, valued at £182,045

Source: Audit Commission

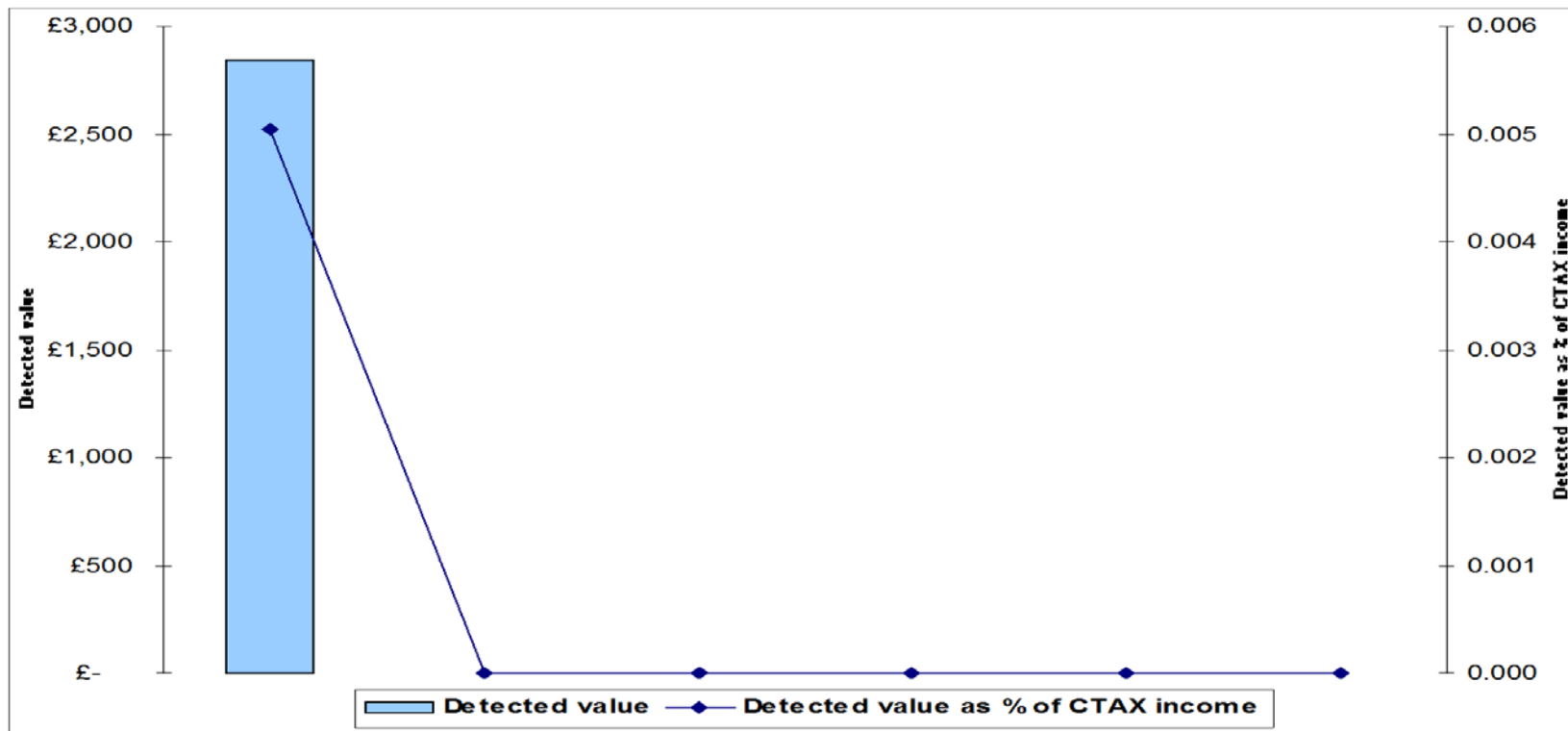


# The local picture

## District councils in your county area 2012/13

### Council tax (CTAX) discount fraud

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



Gloucester detected: no cases

DC average for your county area: 12 cases, valued at £474

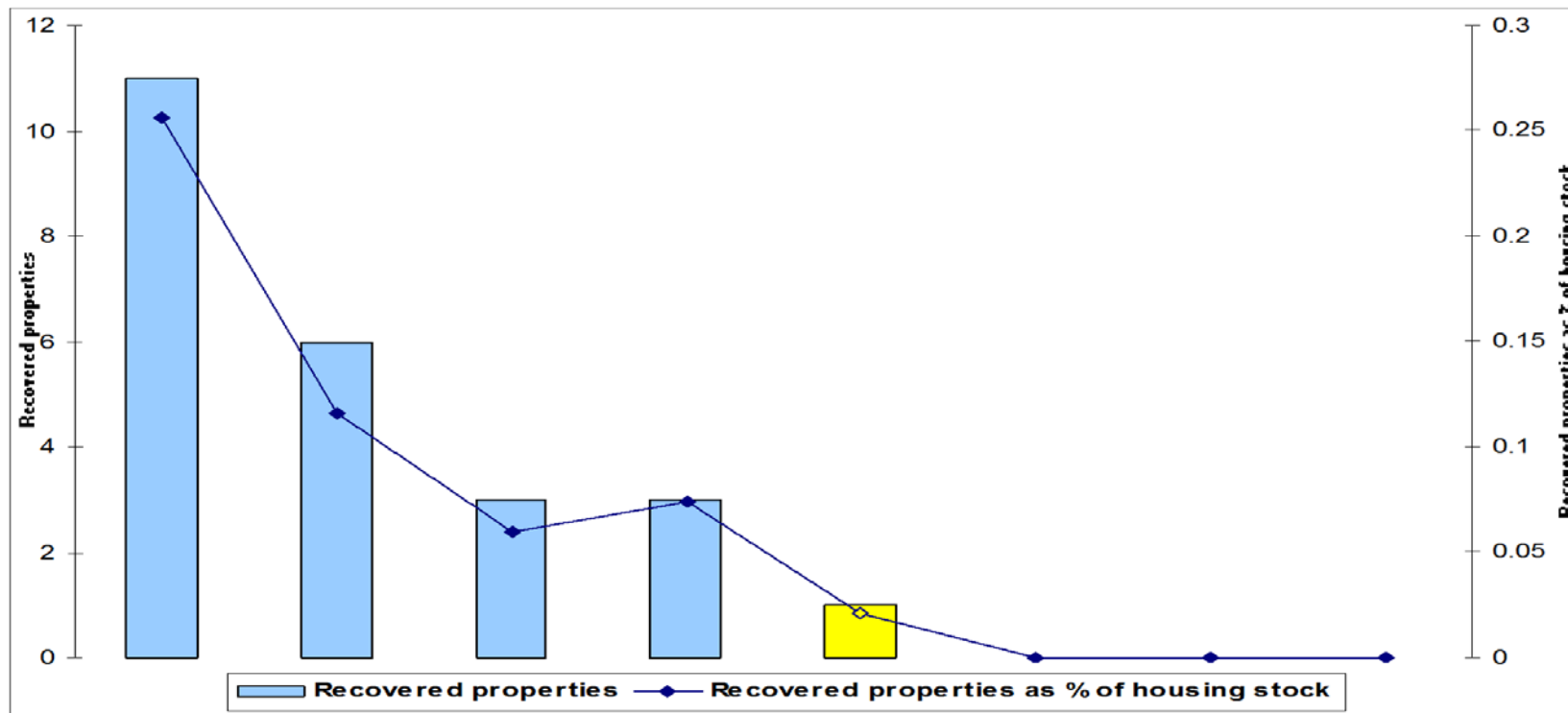
Source: Audit Commission

# The local picture

## South West region - district councils with housing stock 2012/13

### Social housing fraud

### Properties recovered and properties recovered as a percentage of housing stock

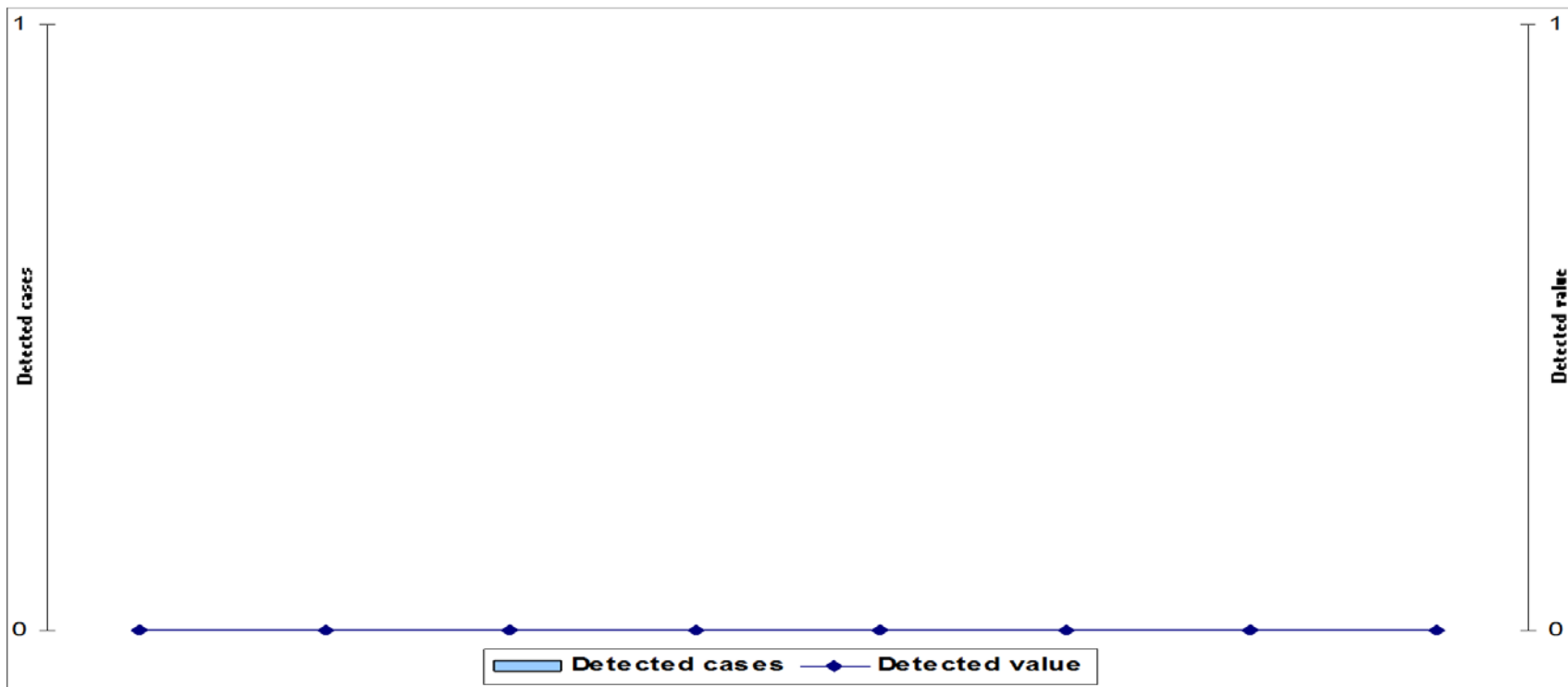


Gloucester recovered: 1 property  
South West regional average: 3 properties

Source: Audit Commission

# The local picture

## South West region - district councils with housing stock 2012/13 Right to buy fraud Detected cases and detected value



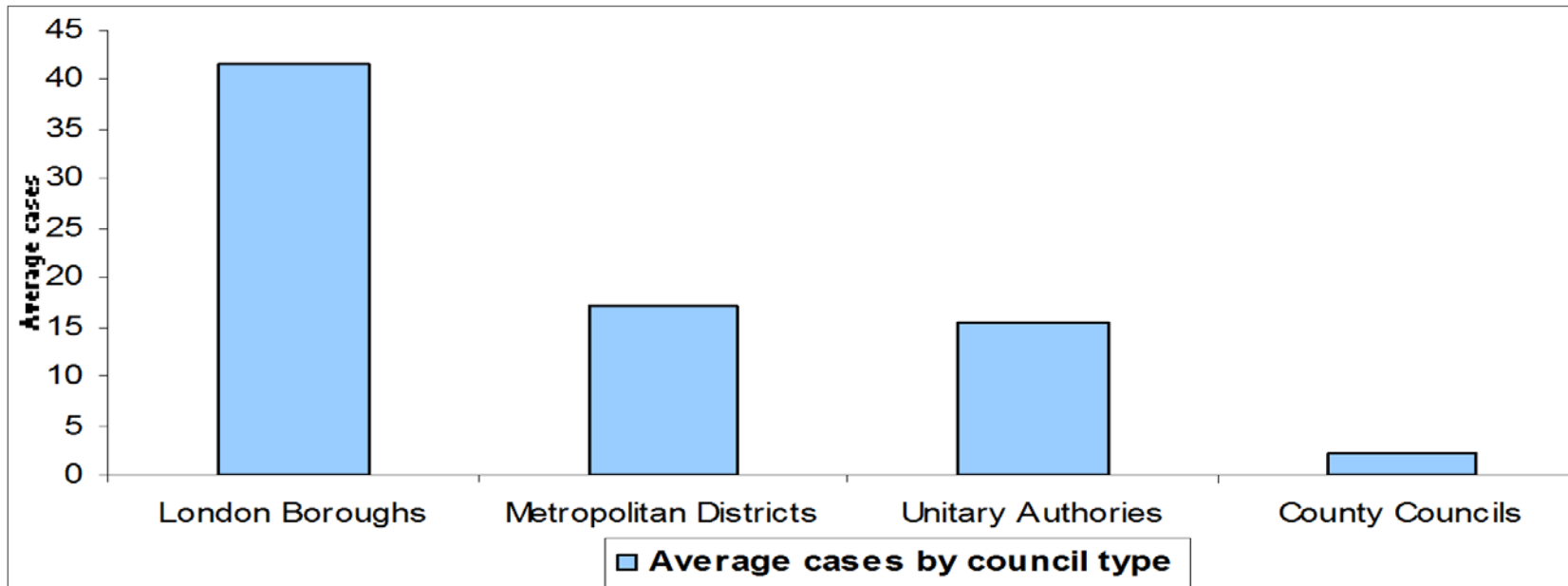
Gloucester detected: no cases

South West region total detected no cases

Source: Audit Commission

# The local picture

## Disabled parking (Blue Badge) fraud Detected cases by issuing council type



In two-tier areas:

- county councils have administrative responsibility for issuing blue badges
- district councils face reduced car parking income as a result of the fraudulent abuse of blue badges.

Source: Audit Commission

# The local picture

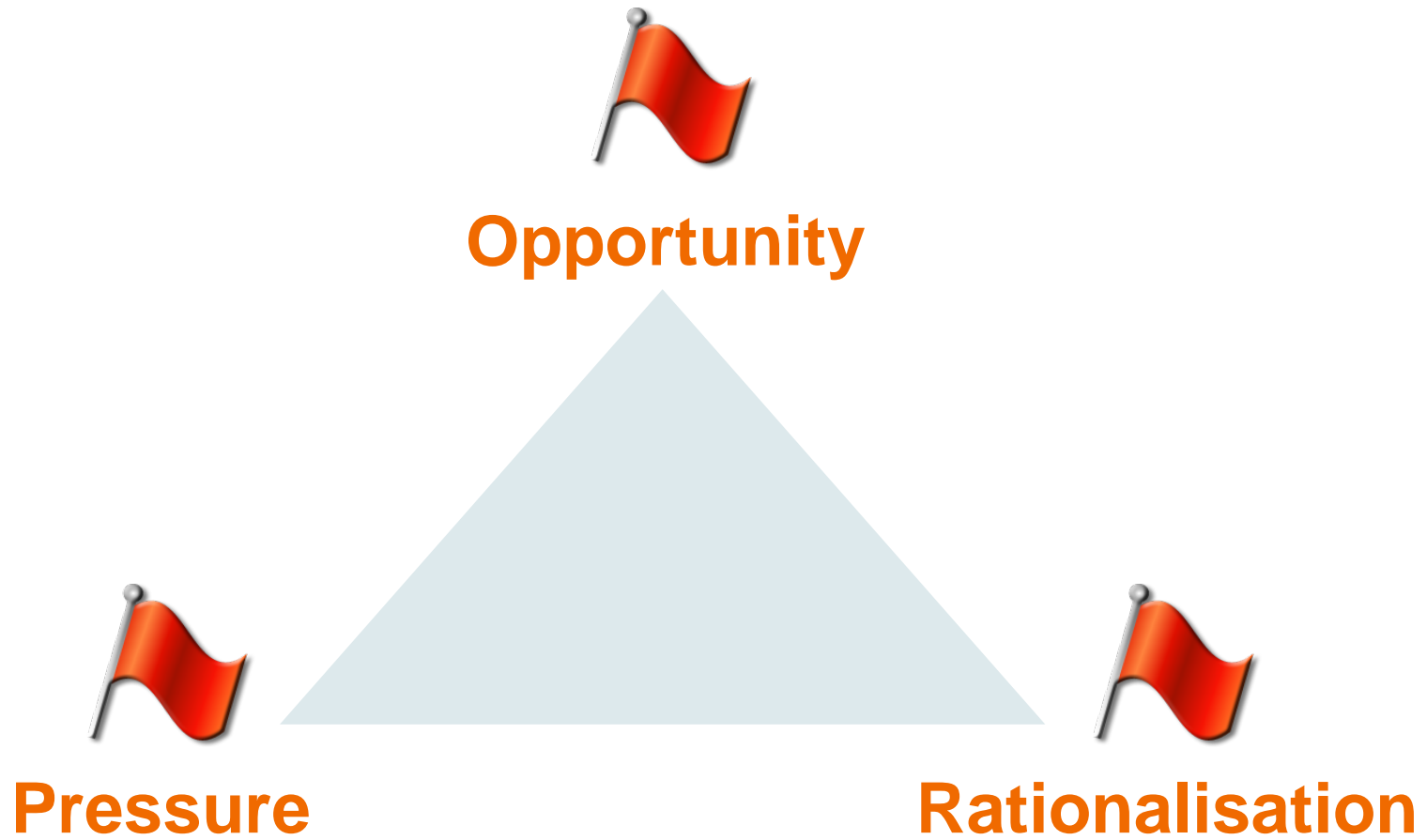
## Gloucester City Council

### Other frauds

- Procurement: no cases  
*(Ave per DC in your county area: no cases)*  
*Total for all local government bodies in your region: 16 cases, valued at £51,198)*
- Insurance: no cases  
*(Ave per DC in your county area: no cases)*  
*Total for all local government bodies in your region: 2 cases, valued at £17,379)*
- Economic & Third sector: no cases  
*(Ave per DC in your county area: no cases)*  
*Total for all local government bodies in your region: no cases)*
- Internal fraud: 1 case, no value given  
*(Ave per DC in your county area: <1 case, valued at £123)*  
*Total for all local government bodies in your region: 69 cases, value at £447,790)*

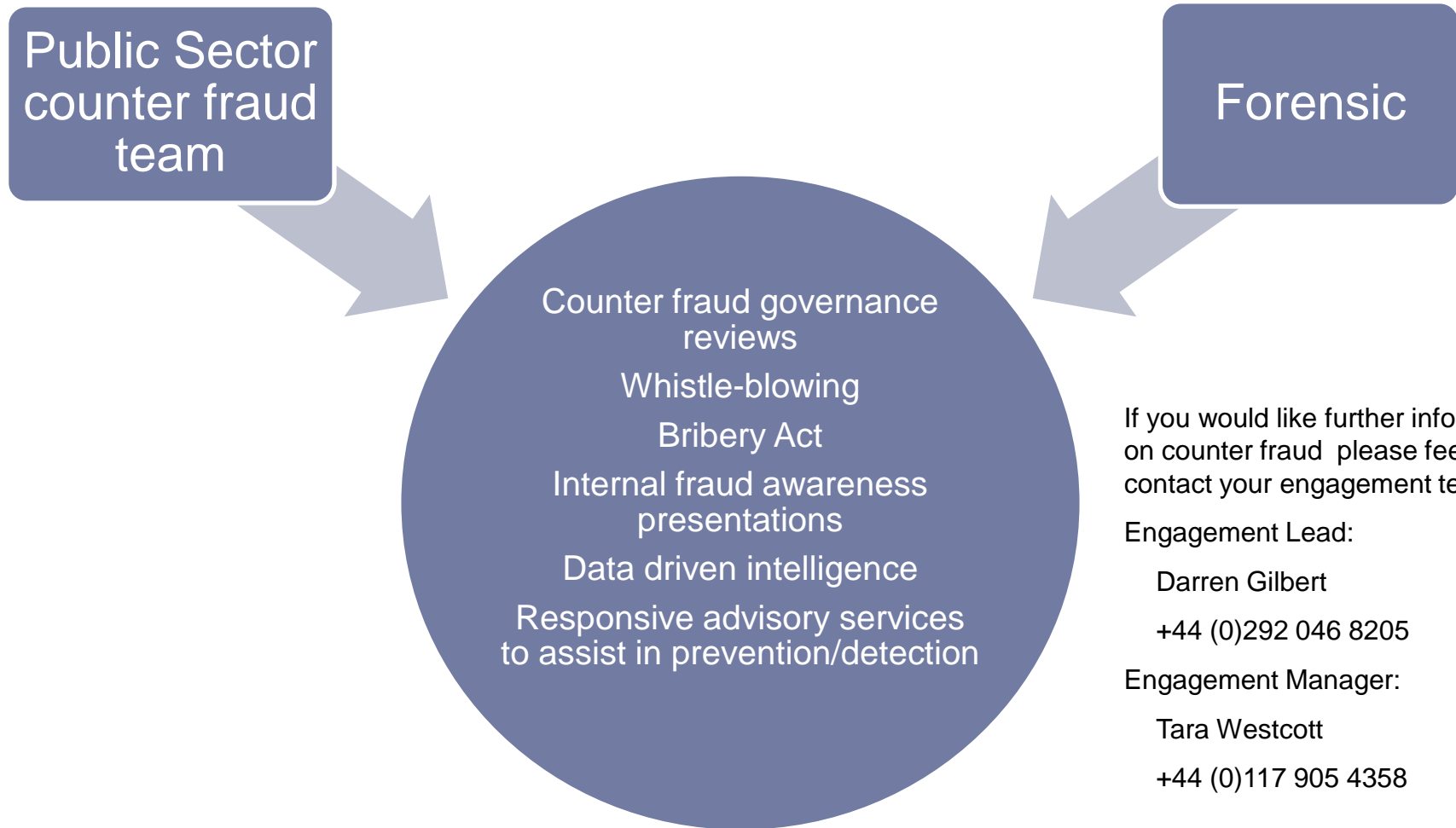
*Correctly recording fraud levels is a central element in assessing fraud risk*  
*It is best practice to record the financial value of each detected case*

# Fraud drivers



# Questions?





Public Sector  
counter fraud  
team

Forensic

Counter fraud governance reviews  
Whistle-blowing  
Bribery Act  
Internal fraud awareness presentations  
Data driven intelligence  
Responsive advisory services to assist in prevention/detection

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

Engagement Lead:

Darren Gilbert

+44 (0)292 046 8205

Engagement Manager:

Tara Westcott

+44 (0)117 905 4358





*cutting through complexity™*

© 2014 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").