

Audit Committee

27 September 2016

11. Fraud Update

This report is intended to provide Members with information regarding the fraud which was uncovered by the Revenues Team and where the individual involved has recently been awarded a custodial prison sentence.

Mr. Kevin Brown was a temporary member of staff employed through a recruitment agency who confirmed that a number of background checks had been carried out before he was appointed by Sevenoaks DC.

The fraud consisted of Mr. Brown locating council tax accounts that were in credit where the account holder had moved away and had been unable to be traced. He then arranged for fake emails and phone calls in the names of the genuine account holders to be sent into the council requesting any balance on the account be paid to a third party. Mr. Brown then used his position to authorise the payments, and the stolen money was paid into numerous third party bank accounts.

The council's stringent procedures detected the fraud and as soon as it was uncovered in November 2015, Mr. Brown was escorted off the premises and the police were informed.

Through Mr. Brown's CV, we were able to identify his previous employers and the Audit, Risk and Anti-Fraud Manager contacted them to make them aware of the situation.

The subsequent police investigation found that Mr. Brown had committed similar frauds at other councils.

We currently have no agency staff employed on the Revenues Team, and our directly employed Revenues staff continue to have robust checks carried out by the council.

Mr. Brown was sentenced to two years and eight months at Wood Green Crown Court on 30 August 2016. The £90,000 referred to in the court case related to Hackney Council.

At court, Mr Brown asked for three other offences to be taken into consideration, Sevenoaks District Council being one of these. The money taken from this council was £16,000, which Mr. Brown has been ordered to pay back.

As soon as officers became aware of this fraud, the Audit Committee Chairman was informed and he has been regularly updated as the case has progressed. Due to the ongoing police investigation, it was important to keep the details confidential until the case was completed.

Adrian Rowbotham

Chief Finance Officer