

AUDIT & GOVERNANCE COMMITTEE

29th October 2015

REPORT OF THE HEAD OF INTERNAL AUDIT SERVICES

FRAUD AND CORRUPTION UPDATE REPORT

EXEMPT INFORMATION

None

PURPOSE

To provide Members with an update of Counter Fraud work completed to date during the financial year 2015/16.

RECOMMENDATIONS

That the Committee:

- 1 Endorses the Checklist for those Responsible for Combating Fraud & Corruption.(Appendix 1)
- 2 Approves the Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes. (Appendix 2)
- 3 Approves the Whistleblowing Policy. (Appendix 3)
- 4 Endorses the Fraud Risk Register Summary. (Appendix 4)

EXECUTIVE SUMMARY

The abolition of the National Fraud Authority in 2014 and the closure of the Audit Commission in 2015 saw professional counter fraud bodies, institutes and other concerned stakeholders from across the public and private sector including the former Counter Fraud Team of the Audit Commission come together to form 'The European Institute for Combating Corruption And Fraud' (TEICCAF). TEICCAF have carried on from the Audit Commission in the Protecting the Public Purse annual publications. Protecting the Public Purse considers the key fraud risks and pressures facing councils and related bodies. As part of this report, a "Checklist for those Responsible for Combating Fraud & Corruption" has been produced. The checklist has been updated with the current status and is attached at **Appendix 1** for information.

The Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes has been reviewed and updated in line with best practice – **Appendix**

2. There have been no significant changes to the Policy. Within the Strategy, there is the Counter Fraud Work Plan which has been updated to reflect the appointment of the Corporate Anti Fraud Investigation Officer as from the 1st September 2015. This post will ensure that the Authority is taking a more proactive role in countering fraud whilst fulfilling the requirement to investigate the residual Benefits and Council Tax Reduction Scheme Fraud that has not been transferred to the DWP.

In addition, and in line with best practice, the Whistleblowing Policy has been reviewed and updated and is attached as **Appendix 3**. The review has not identified any significant changes. The Policy has been updated to move the Policy Statement to the beginning of the document. It also includes the list of Prescribed Regulators as identified in the Public Interest Disclosure (Prescribed Persons) Order 2014.

In line with good practice, a Fraud Risk Register is maintained and reviewed on a quarterly basis. The latest Fraud Risk Register Summary is attached as **Appendix 4**.

Work has progressed on the data matches identified through the National Fraud Initiative (NFI) in the 2014/15 run which was released in February 2015. In total, 1089 matches were identified with 240 of these being recommended for investigation. So far, 724 of the matches have been processed with 1 error identified with a total error cost of £733.

RESOURCES IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

There is a risk that the Authority will not have sound governance processes in place.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

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LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1	Checklist for those Responsible for Combating Fraud & Corruption
Appendix 2	Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes
Appendix 3	Whistleblowing Policy
Appendix 4	Fraud Risk Register Summary

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