

AUDIT AND GOVERNANCE COMMITTEE

THURSDAY, 28 OCTOBER 2021

REPORT OF THE AUDIT MANAGER

COUNTER FRAUD UPDATE

EXEMPT INFORMATION

None.

PURPOSE

To provide Members with:

- An update of counter fraud work completed this financial year, including an updated fraud action plan and fraud risk register;
- Endorse the updated Counter Fraud & Corruption Strategy;
- Endorse the updated Whistleblowing Policy; and
- Endorse the updated Anti Money Laundering Policy

RECOMMENDATIONS

That the Committee:

1. Notes this update report, including the updated fraud action plan at **Appendix 1** and the fraud risk register at **Appendix 2**.
2. Endorse the refreshed Counter Fraud & Corruption Policy Strategy at **Appendix 3**.
3. Endorse the refreshed Whistleblowing Policy at **Appendix 4**.
4. Endorse the refreshed Anti Money Laundering Policy at **Appendix 5**.

EXECUTIVE SUMMARY

Counter Fraud Update

Counter fraud work this financial year, April to September 2021, has included counter fraud 'Spotlight' checks on Covid-19 related grant applications i.e., small business/hospitality & leisure/discretionary grant awards.

In addition, new matches continue to be received through the National Fraud Initiative (NFI), the Cabinet Office's national data matching service. This year, 2021/2022, there is an exercise on Council Tax Single Person Discount and Electoral Register, these data submissions are required to be provided as soon as possible after 29th November 2021 and no later than 28th January 2022. The Audit Manager and Counter Fraud Officer will liaise with management to ensure that a timely return is made.

Routine counter fraud work including NNDR, Council Tax Reduction, Single Persons Discount, illegal sub-letting and non-residence of council housing has continued. A summary of results to the end of September 2021 is as shown in the table below;

Type of fraud case	Number of cases investigated	Number of cases proven	Value
Council Tax reduction	10	6	£2,094.15
Revenues – Single Person Discount (SPD)	13	3	£1,485.83
Housing - sublet	3	0	0
Housing – non residence	4	0	0
COVID- 19 NFI Upload File	432	0	0
NFI SPD check – NFI Dataset	2,274*	0	0
NFI – Other dataset	95*		
NFI Spotlight checks	44	0	0
Total		9	£3,579.98
Notes * relate to reviewed and closed dataset matches			

In addition to the above, proactive checks have been undertaken on 59 housing related applications (48 Right to Buy, 8 waiting list and 3 credit checks) at application stage.

As the Committee is aware, in line with good practice, a fraud response plan and fraud risk register is maintained and reviewed on a regular basis. The latest fraud action plan is detailed at **Appendix 1** and the fraud risk register at **Appendix 2**.

Counter Fraud & Corruption Policy Strategy

The Counter Fraud & Corruption Strategy has been reviewed and updated for minor changes. These have been included updating job titles and contact details for the Audit Manager.

The Strategy has been produced for the Committee's endorsement at **Appendix 3** and shows changes highlighted in the attached document. A further full review will be completed prior to November 2022 and Committee's approval will be sought as part of the 3 year policy review process.

Whistleblowing Policy and Anti Money Laundering Policy

The Whistleblowing Policy at **Appendix 4** and Anti Money Laundering Policy at **Appendix 5** have been reviewed and updated for minor changes. These changes have been included updating job titles and contact details for the Audit Manager.

RESOURCE IMPLICATIONS

None.

LEGAL/RISK IMPLICATIONS BACKGROUND

Without sufficient counter fraud arrangements in place, the risk of fraud/corruption is increased. This can lead to a loss of Council assets/resources/fines and associated reputational damage.

EQUALITIES IMPLICATION

None.

SUSTAINABILITY IMPLICATIONS

None.

BACKGROUND INFORMATION

None.

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LIST OF BACKGROUND PAPERS

APPENDICES

Appendix 1	Fraud Action Plan 2021/2022
Appendix 2	Fraud Risk Register
Appendix 3	Counter Fraud & Corruption Strategy
Appendix 4	Whistleblowing Policy
Appendix 5	Anti Money Laundering Policy