

GOVERNANCE COMMITTEE**29th JUNE 2015****REPORT OF HEAD OF WELLAND INTERNAL AUDIT CONSORTIUM****FRAUD LOG AND UPDATE 2014/15****1.0 PURPOSE OF REPORT**

- 1.1 As part of the Council's Counter Fraud Strategy, the Head of the Internal Audit Consortium maintains a record of any suspected non-benefit fraudulent activity committed against the Council, as reported by officers. This report provides an update on any suspected non-benefit frauds reported to Internal Audit during 2014/15 and also includes details of work undertaken during the year to further develop the Council's counter fraud controls.
- 1.2 The Council recognises that it faces specific challenges in ensuring the financial integrity of the Benefits System. It has therefore adopted a detailed Benefit Fraud Security Strategy for the Benefits Service, which is complementary to the corporate Counter Fraud Strategy. The Council's Benefits Investigation Officer carries out both reactive and proactive investigations of suspected benefit fraud. The Internal Audit Consortium is the agency usually charged with the investigation of any other category of suspected fraud or financial misconduct. As such, this report relates only to non-benefit related fraud.

2.0 RECOMMENDATIONS

- 2.1 **That Members note the report.**

3.0 REPORTED SUSPICIONS OF FRAUD

- 3.1 During 2014/15, Internal Audit received notification of four cases of suspected non-benefit fraud committed against the Council. Details of each case were obtained and updates from officers were requested to provide assurance over recovery of monies and appropriate actions taken to address control weaknesses.
- 3.2 Table 1 in Appendix A to this report provides a summary of the four cases reported to Internal Audit. None of these present a significant financial cost to the authority and Internal Audit is satisfied that appropriate action has been taken by the Council in response to all reported incidents and monies have been recovered where appropriate.

4.0 COUNTER FRAUD WORK

- 4.1 During Spring 2015, Internal Audit delivered a series of Fraud Awareness training sessions. Attendance at these sessions was mandatory for all staff and these were delivered with a tiered approach, thereby tailoring the sessions to the level of management and the officers' roles and responsibilities in relation to detecting, preventing and reporting fraud. This included emphasising the need to report any suspicions in accordance with the Counter Fraud Strategy and Fraud Response Plan.
- 4.2 All questions raised by officers and areas for concern arising from these sessions were discussed with the Council's s151 Officer and publicity campaigns are planned to ensure clarity in these areas.
- 4.3 The Council's Whistleblowing Policy was also reviewed in 2015 which should provide a tool for officers and third parties to raise any concerns about fraud in confidence and anonymously, if required.

5.0 **POLICY AND CORPORATE IMPLICATIONS**

5.1 There are no policy or corporate implications arising directly from this report.

6.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

6.1 There are no financial or other resource implications arising directly from this report.

7.0 **LEGAL IMPLICATIONS/POWERS**

7.1 There are no legal implications arising directly from this report

8.0 **COMMUNITY SAFETY**

8.1 There are no community safety implications arising directly from this report.

9.0 **EQUALITIES**

9.1 There are no equalities implications arising directly from this report.

10.0 **RISKS**

10.1 The Council must ensure that a robust framework of internal control is in place to prevent, detect and recover monies from any attempted frauds to manage the risk of financial loss and reputational damage. Any emerging fraud risks should be suitably managed and any weaknesses highlighted by reported frauds should be suitably addressed.

11.0 **CLIMATE CHANGE**

11.1 There are no climate change implications arising directly from this report.

12.0 **CONSULTATION**

12.1 N/A

13.0 **WARDS AFFECTED**

13.1 All wards are indirectly affected by the report.

Contact Officer Rachel Ashley-Caunt

Date: 29th June 2015

Appendices : 1

Background Papers: N/A

Reference : N/A