

Counter Fraud Update

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Lead Member/Relevant Portfolio Holder	N/A

Corporate Priority:	All
Relevant Ward Member(s):	N/A
Date of consultation with Ward Member(s):	N/A
Exempt Information:	N/A

1 Summary

1.1 The report provides the Committee with an update on the Council's counter fraud activity.

2 RECOMMENDATION

That Committee:

1. Notes the progress made in counter fraud work.

3 Reason for Recommendations

To inform the Committee on the pro-active work completed and underway to prevent, detect and target potential fraud risks.

4 Background

4.1 The Council has a zero tolerance to fraud and corruption which is communicated and enforced through its policies and procedures. In order to actively promote this culture and

ensure controls are robust as possible, the Chief Internal Auditor and the Director for Corporate Services review fraud risks and assess against good practice on a regular basis. Opportunities are also sought to engage with staff and maintain awareness of key policies and expectations.

- 4.2 This report is intended to provide an update on counter fraud activity during the 2023/24 financial year to date.

5 Main Considerations

- 5.1 During the last six months, pro-active counter fraud activity at the Council has included the following:

Prevention

- a) Production of the new Counter Fraud and Corruption Policy and Anti-Money Laundering Policy which were both approved by the Audit and Standards Committee in November 2023;
- b) Monitoring completion of the Fraud Awareness training module on the online learning platform. This module has been deemed as mandatory for all staff;
- c) Fraud Awareness Week (week commencing 13th November 2023) communications to promote fraud awareness internally and externally;
- d) All staff briefing by the Monitoring Officer and Chief Internal Auditor in November 2023 to promote the ethical governance policies, fraud trends and whistleblowing procedures;

Detection

- e) Monitoring of the Council's 'Report Fraud' mailbox and handling of referrals;
- f) Analysis and ongoing investigation of data matches generated by the recent National Fraud Initiative (NFI) pilot exercise for social housing fraud. Whilst this has not resulted in any reportable outcomes at this time, it has enabled cleansing of tenancy data and an opportunity to update records for better data matching outcomes in future exercises;
- g) Submission of council tax and electoral roll data for the annual single person discount data matching exercise under the NFI;
- h) Ongoing investigation of matches from the 2022 NFI data matching exercise;

Compliance

- i) Regular review of the Council's Fraud Risk Register and reference to this in planning Internal Audit coverage for 2023/24; and
- j) Internal Audit work on council tax and business rates voids/exemptions to assess the effectiveness of preventative and detective controls in relation to business rate and council tax fraud.

6 Options Considered

- 6.1 The regular reporting on delivery of the Internal Audit plan is a requirement under the Committee's terms of reference and the Public Sector Internal Audit Standards. If the report was not provided, the Committee could not effectively deliver its role in providing oversight of Internal Audit work under the terms of reference and Standards.

7 Consultation

- 7.1 Not applicable.

8 Next Steps – Implementation and Communication

- 8.1 The regular update reports from Internal Audit should allow the Committee to develop independent assurance about the quality of the Council’s internal control framework.

9 Financial Implications

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

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 Internal Audit is a statutory requirement as required under the Accounts and Audit Regulations 2015 which state “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”

Legal Implications reviewed by: Interim Assistant Director for Governance & Democracy (Monitoring Officer)

11 Equality and Safeguarding Implications

- 11.1 There are no equalities or safeguarding implications arising directly from this report.

12 Data Protection Implications (Mandatory)

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons arising directly from this report.

13 Community Safety Implications

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

14 Environmental and Climate Change Implications

- 14.1 There are no environmental and climate change implications arising directly from this report.

15 Other Implications (where significant)

- 15.1 There are no other implications arising directly from this report.

16 Risk & Mitigation

- 16.1 The counter fraud work update provides assurance over the Council’s internal controls to identify and manage key fraud risks and inform risk management arrangements.

17 Background Papers

- 17.1 N/A

18 Appendices

- 18.1 None.