

Protecting The Public Purse 2014

SUMMARY

- 1.1 This report provides members with a synopsis of the Audit Commission's latest national report on fraud in local government and the updated checklist for those responsible for governance, to reflect the results of its annual fraud survey.

RECOMMENDATION

- 2.1 To note the Audit Commission report.

REASONS FOR RECOMMENDATION

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

SUPPORTING INFORMATION

- 4.1 On 24 October 2014, the Audit Commission published its latest national report on fraud, "Protecting the Public Purse 2014". An extract is contained in Appendix 2. The national report describes the latest developments in fraud detection and prevention since its last publication in 2013 and includes the findings of the Audit Commission's recent fraud survey. The Council's submission to the fraud survey was reported to Committee in July 2014 as part of the Governance Update report.
- 4.2 This is the last year when the Commission will publish this report as it is to be closed in March 2015. The annual survey will continue to take place, and the Protecting the Public Purse report will continue to be published. This work will be carried out in future years by CIPFA through its newly formed Counter Fraud Centre.
- 4.3 Although the average value of a detected fraud has increased by 6 per cent in 2013/14, the total number of detected cases has fallen by 3 per cent.
- 4.4 The Commission clarified the fact that the fall in numbers was distorted by falling detection rates in London and in Metropolitan districts, with fraud detections increasing in both Unitary authorities and district councils.

- 4.5 Although Housing Benefit frauds comprised 45% of all fraud cases and 69% of the total value the largest non-benefit frauds by value were
- Council Tax discount – showing decreases of 9% in number and 14% in value
 - Housing tenancy - 15% more properties recovered when compared to 2012/13
 - Right to Buy – showing increases of 89% in numbers and 110% in value
 - Social Care – increases of 119% in numbers and 58% in value
 - Insurance – increases of 205% in numbers and 60% in value, and
 - Disabled Parking – increases of 40% in numbers, valued at £2 million.
- 4.6 As with previous versions of “Protecting the Public Purse”, the Audit Commission has produced a checklist for those charged with governance. A completed checklist is attached at Appendix 3.
- 4.7 The Report highlighted the six key components of effective stewardship of public funds which are incorporated in the newly published CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
- Prevention and deterrence
 - Investigation and detection
 - Sanction and redress

The Code will be supported by a self-assessment framework and good practice guidance. This guidance has not yet been published.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	n/a
Financial officer	n/a
Human Resources officer	n/a
Estates/Property officer	n/a
Service Director(s)	n/a
Other(s)	Chief Officer Group

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Extract of the Protecting the Public Purse 2014

IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 None directly arising

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising

Equalities Impact

- 5.1 None directly arising

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management

- 9.1 None directly arising

Corporate objectives and priorities for change

- 10.1 The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

