

PROTECTING THE PUBLIC PURSE 2012

SUMMARY

- 1.1 This report provides members with a response to their query raised at the meeting on 12 December 2012.

RECOMMENDATIONS

- 2.1 To note the contents of this report.

REASON FOR RECOMMENDATIONS

- 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 At the committee meeting on 12 December 2012 members asked for further clarification on fraud figures contained in Appendix 2 of the protecting the Public Purse 2012 report.
- 4.2 An explanation was sought from the Fraud Investigation team as the query related to the increase in the number of reported benefit fraud cases. The Audit Commission was also approached as Members had expressed interest in establishing a comparison with other authorities.

- 4.3 In 2011/12 the number of identified benefit frauds had increased by 18.7% to 222 cases. 2010/11 had also seen a 29% increase in cases. The Fraud Investigation team has confirmed that this above average increase was due to the investigation of an organised fraud ring which had been prevalent within the City and which was investigated and prosecuted during 2010/11 and 2011/12. As a result the Annual Fraud Survey figures have increased dramatically for those two financial years. However, this means that comparisons with data submissions from other authorities result in a distorted view of the prevalence of fraud within the City. The Fraud Investigation team has said that it does not expect this upward trend to continue, now that this ring has been broken. Despite this, the benefit fraud overpayment identified for 2011/12 was less than 1% of the total benefit expenditure for the authority, which is lower than the Department for Work and Pensions predicted average of 2%.
- 4.4 The Audit Commission has also provided the Council's Internal audit team with some comparative data from the most recent NFI exercise which shows the totals and averages for each type of authority. These are shown in Appendix 2 and have been included with this report to provide an element of perspective. Members are advised that the figures provided are raw data only, and do not include the Audit Commission's estimates extrapolated from this data, so do not agree with the figures quoted in Protecting the Public Purse.

OTHER OPTIONS CONSIDERED

5.1 None.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	
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For more information contact: Background papers: List of appendices:	Richard Boneham Head of Governance and Assurance, 01332 643280 richard.boneham@derby.gov.uk None Appendix 1 – Implications Appendix 2 – NFI comparison Data supplied by the Audit Commission
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IMPLICATIONS

Financial and Value for Money

1.1 None directly arising.

Legal

2.1 None directly arising.

Personnel

3.1 None directly arising.

Equalities Impact

4.1 None directly arising.

Health and Safety

5.1 None directly arising.

Environmental Sustainability

6.1 None directly arising.

Asset Management

7.1 None directly arising.

Risk Management

8.1 Sound risk management practices are a key principle of good governance.

Corporate objectives and priorities for change

9.1 The governance framework includes arrangements to plan and monitor delivery of the Council's priorities.