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## **Corporate Governance Panel**

**Report of the meeting held on 29th January 2014**

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### **Matters for Information**

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#### **29. REVIEW OF FRAUD INVESTIGATION ACTIVITY**

The Panel has reviewed the activities of the Corporate Fraud Team during 2012/13, including the type and number of investigations undertaken, the value of fraud identified and the cost of undertaking the work.

Members have been advised that the Team has received subsidy and grants from the DWP for the work undertaken during 2012/13 around benefit fraud and has acquired further income from awards of costs and financial penalties. The Team has also been approached by a number of neighbouring authorities to create a shared service for fraud prevention and the viability of such a service is being reviewed.

Members were reminded that the Department for Work and Pensions' (DWP) intends to launch a Single Fraud Investigation Service (SFIS) by 2015. This will take over all welfare fraud investigations, however the exact model to be adopted by the SFIS is unknown.

In congratulating the team for its efforts in uncovering fraudulent activity, the Panel has requested further information on fraud prevention and deterrent levels.

#### **30. REVIEW OF FRAUD PROSECUTION POLICY**

The Panel has endorsed changes to the Fraud Prosecution Policy and procedure which have been revised to reflect legislative changes arising from the Welfare Reform Act 2012 and the Council Tax Reduction Scheme. The changes introduce a more severe penalty regime for those committing fraud by increasing the levels of financial penalties for cases dealt with out of court and gives authorities the power to investigate fraud under the new Council Tax Reduction Scheme and to apply financial penalties and bring prosecution.

#### **31. WHISTLEBLOWING CONCERNS RECEIVED**

The Panel has noted a summary of the allegations received under the Council's Whistleblowing Policy during the period 1st November 2012 and 31st December 2013. In noting that the number of allegations received had fallen by 50% on the previous year, Members were advised that the authority continues to publicise the opportunity that

exists to report any potential fraud or act but that the loss of the District-Wide publication may have impacted on the numbers received.

**32. NATIONAL FRAUD INITIATIVE**

The Panel has received background information on the National Fraud Initiative and the work undertaken by the Council on the potentially fraudulent matches in data provided by the Audit Commission. This exercise is conducted by the Council every two years.

**33. INTERNAL AUDIT OPINIONS**

The Panel has received a report on the terminology associated with the annual internal audit opinion and internal audit reports. Members were advised that opinion levels and supporting definitions were regularly reviewed and that managers were required to achieve at least an "adequate" level of assurance across their systems and processes.

**34. INTERNAL AUDIT INTERIM PROGRESS REPORT**

The Panel was apprised of the work of the Internal Audit Service during the period 1st April to 31st December 2013, together with associated performance issues.

Disappointment was expressed that only 72% of audit actions have been introduced on time. Responsibility for these actions lies with service managers. Having been advised that managers both agree the action and the date for its introduction, the Panel felt that the target of 100% of actions introduced on time was achievable.

Disquiet continues to be expressed by Members that managers were still failing to respond to the six monthly establishment reports and, to address this, the Accountancy Manager suggested that the request for information be incorporated into the monthly budget monitoring process.

**35. EXTERNAL AUDITOR ISA260 REPORT:  
2012/13 IMPLEMENTATION OF RECOMMENDATIONS**

The Panel has noted the significant progress made to implement the recommendations of the Council's External Auditor, PricewaterhouseCoopers, following the audit of the 2012/13 Statement of Accounts. Members were advised that progress continues to be made to implement all the accepted recommendations by the end of June 2014.

**36. WORK AND TRAINING PROGRAMME**

In receiving details of their anticipated work programme for 2014/15, the Panel has approved a knowledge and skills framework for Audit Committee Members produced by the Chartered Institute of Public

Finance and Accountancy as the basis for a formal training programme. Areas covered by the framework include governance, financial management, risk management and external audit and counter fraud.

E R Butler  
Chairman