

Report of the Chief Auditor

Special Audit Committee – 28 March 2017

CORPORATE FRAUD TEAM UPDATE 2016/17

Purpose:	This report provides an update of the work completed by the Corporate Fraud Team in the first 6 months of 2016/17
Policy Framework:	None
Reason for Decision:	To allow the Audit Committee to discuss and review the progress made by the Corporate Fraud Team in achieving its Plan for 2016/17.
Consultation:	Legal, Finance and Access to Services It is recommended that Committee notes the Corporate Fraud Team Update 2016/17
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Finance Officer:	Paul Beynon
Legal Officer:	Sandie Richards
Access to Services Officer:	Ann Williams

1. Introduction

- 1.1 The Corporate Fraud Team (CFT) was established within the Internal Audit Section with effect from 1 June 2015 on an initial 2 year trial period although funding to make the Team permanent was provided in December 2016
- 1.2 The Corporate Fraud Team Plan 2016/17 was presented to the Audit Committee at the meeting on 30 August 2016. At the meeting, a request was made for a 6 month update of progress made by the Team in achieving its Plan to be reported to the Audit Committee
- 1.3 This report provides brief details of the work of the Corporate Fraud Team in the period 1 April 2016 to 30 September 2016

2. Corporate Fraud Team Update 2017/18

- 2.1 Appendix 1 provides some brief headline figures to give an overview of the work of the Corporate Fraud Team in the first 6 months of 2016/17.
- 2.2 The figures show the value of savings achieved by the Team split between cases investigated as part of the Joint Working pilot with the DWP and cases investigated solely by the Corporate Fraud Team.
- 2.3 The total value of savings achieved in the first half of 2016/17 exceeds £322k which shows excellent progress by the Team in its second year of operation.
- 2.4 Appendix 1 also highlights the number of cases investigated by the Team which at the end of September 2016 stood at 159.
- 2.5 An interesting development during 2016/17 has been the number of employee cases referred to the Team for investigation. As at 30 September 2016, 16 employee cases had been referred to the Team and it is good indication that the work of the Team is valued across the Council.
- 2.6 Any significant investigations undertaken by the Team will be subject to a report to the Audit Committee providing details of the investigation and the outcome. A report on the investigation of staff at a Household Waste Recycling Centre was reported to the Committee in December 2016. Further reports will be provided at the completion of significant live investigations.
- 2.7 A more detailed breakdown and analysis of the work of the Corporate Fraud Team in 2016/17 will be provided to the Audit Committee in the Team's Annual Report which is scheduled to be reported to the meeting on 8 August 2017.

3. Equality and Engagement Implications

- 3.1 There are no equality and engagement implications associated with this report

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Legal Implications

- 5.1 The Accounts and Audit (Wales) Regulations 2014 require the maintenance of an adequate and effective system of internal audit of the Council's accounting records and control systems. This is essential to the prevention and detection of fraud and corruption and is a key element of the Chief Finance Officer's statutory duties as contained in section 151 of the Local Government Act 1972.

Background Papers: None

Appendices: Appendix 1 Corporate Fraud Team Update 2016/17

Corporate Fraud Team Update 2016/17

CFT Headline Figures for 2016-2017 (01.04.16 to 30.09.16)

Savings achieved:

Joint Working cases				CFT only cases		Total Savings
Created via CFT		Created via DWP		Actual OP Savings	Theoretical Savings	
Excess CTR Reduction	Other LA OP's	HB & CTB	DWP			
£9,849.09	£1,320.81	£64,242.11	£61,031.94	£14,862.48	£171,301.18	
£11,169.90		£125,274.05		£186,163.66		
£136,443.95						£322,607.61

Overview of cases:

Type	Joint Working	CFT only	Total
Brought forward from 2015/16	11	24	35
New cases 2016/17	33	91	124
Total	44	115	159

Breakdown of cases:

Type	Joint Working	CFT only	Total
Cases closed	16	71	87
Cases to be considered	0	3	3
Cases under investigation	28	41	69
Total	44	115	159

Employee cases:

Type	Joint Working	CFT only	Total
Employee cases	0	16	16