

AUDIT COMMITTEE: 30 January 2018

INTERNAL AUDIT PROGRESS REPORT 2017/18 – INVESTIGATION TEAM

REPORT OF THE HEAD OF FINANCE

AGENDA ITEM: 6.3

Reason for this Report

1. Audit Committee's Terms of Reference requires that Members consider reports from the Audit Manager on Internal Audit's performance during the year.
2. This report has been prepared to provide Audit Committee Members with an update on the work of the Audit Section's Investigation team, as at 31 December 2017.

Background

3. An Audit Plan is prepared each year in order to provide a measure of the work performed by the Audit function. It is important that this allows for flexibility so that professional judgement can be applied, and work prioritised over the life of the Plan.
4. The Head of Finance prepares quarterly and half-yearly progress reports, outlining the work undertaken by the team.
5. The Corporate Director Resources receives progress updates, in order to provide a meaningful update on the work of the team and to give the opportunity to discuss changing priorities.

Issues

6. The attached progress report can be found at Appendix A for information.
7. The CIPFA counter-fraud benchmarking club compared data from: Bristol, Cardiff, Cornwall, Gateshead, Lancashire, Nottinghamshire, Redbridge, St Helens, Warwickshire and Wigan. The Cardiff counter-fraud function cost per £m gross turnover is £125 compared to the group average of £175.
8. The number of investigations completed during 2017/18 exceeds the total for the same period last year. Due to the time it takes to conduct an investigation, cases will often be concluded in a different quarter than received.
9. There are currently 37 ongoing investigations, 54% of which relate to Council Tax Liability. The ongoing adhoc investigations are primarily related to employees and relate to ongoing disciplinary matters and potential suspected fraud.
10. Other than the current liability evasion, some frauds do not have a clear monetary value, for example, misusing a blue badge, concessionary travel or tenancy fraud. In respect of tenancy fraud, the Cabinet Office use a notional figure of £93,000 as a reflection of the costs associated with recovering the council property and housing a family in temporary accommodation.

Legal Implications

11. There are no legal implications arising from this report.

Financial Implications

12. There are no financial implications arising from this report.

RECOMMENDATIONS

13. That the Committee notes the content of the report.

IAN ALLWOOD
HEAD OF FINANCE
30 January 2018

The following is attached:

Appendix A: Investigation Team - Progress Report December 2017