

AUDIT COMMITTEE: 22 January 2019

**INTERNAL AUDIT PROGRESS REPORT 2018/19 – INVESTIGATION TEAM
REPORT OF THE AUDIT MANAGER** **AGENDA ITEM: 10.2**

Reason for this Report

1. The Audit Committee's Terms of Reference requires Members to:
 - Review the assessment of fraud risks and potential harm to the council from fraud and corruption.
 - Monitor the Counter-fraud strategy, actions and resources.
2. This report has been prepared to provide Audit Committee with an update on the work of the Audit Section's Investigation Team, as at the 31 December 2018.

Background

3. The Audit Manager prepares quarterly progress reports, outlining the work undertaken by the Investigation's Team, its key outputs and outcomes.
4. Progress reports focus on the proactive and reactive investigation activities underway, including participation in initiatives, such as National Fraud Initiative (NFI) data matching exercises. Information is also provided on the officer training delivered by the team.

Issues

5. The progress report can be found at Appendix A, and highlights the resource demands a large-scale police investigation is having on the team's ability to conduct other investigations.
6. The completed investigations have continued to reduce compared to last year, while there are 50 current investigations ongoing compared to 37 for the same period last year. It is anticipated that the internal investigations in respect of the allegations of potential fraud will be concluded in quarter four 2018/19, enabling normal activities to resume.
7. Referrals received are comparable to the same period last year, which the team continue to risk assess and prioritise to ensure that investigations are undertaken as necessary.
8. The value of concluded investigations exceeds £63,000 for the period April - December 2018. A difference in the value of concluded investigations compared to same period last year can be attributed in particular to one large value fraud in 2017.

9. Despite resource pressures, Investigating Officer training has continued to be delivered and well received. Since its commencement in 2016, 365 officers have attended the mandatory training, for which satisfaction has been reported at a rate of 100%. In order to improve efficiencies, the number of attendees allowed for each session has increased during quarter 3 2018.

Legal Implications

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

Financial Implications

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

RECOMMENDATIONS

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

CHRIS PYKE
AUDIT MANAGER
22 January 2019

The following is attached:

Appendix A: Investigation Team - Progress Report December 2018