

**AUDIT COMMITTEE: 12 November 2019**

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**INTERNAL AUDIT INVESTIGATION TEAM PROGRESS REPORT**

**REPORT OF THE AUDIT MANAGER**

**AGENDA ITEM: 11.2**

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**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<sup>st</sup> October 2019.

**Background**

3. The Audit Manager prepares quarterly progress reports, outlining the work undertaken by the Investigation 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**

Progress Update

5. A new investigator has joined the team and their initial work has involved investigating council tax liability, council tax reduction and tenancy fraud referrals. Their broader skills and experience are also being utilised in other areas to support the team.
6. The number of referrals received are comparable to the same period last year, cases continue to be risk assessed and criminal cases are referred to the Team Manager or the Investigator.
7. Four Interviews Under Caution have been conducted in accordance with the Police and Criminal Evidence Act 1984 since the Investigator commenced duties. These investigations are ongoing and sanctions are to be applied as appropriate.

8. There are eighty-eight current investigations ongoing. Completed investigations are comparatively higher than last year, and the value of concluded reactive investigations has exceeded £35k in the year to date.

### Fraud Awareness Initiatives

9. Following Audit Committee review, and Cabinet approval of the Counter-Fraud and Corruption Strategy, mandatory Fraud Awareness Training has been rolled out to all staff. The training has a required completion date of 31 March 2020.
10. To date, more than a thousand PC users within the Council have completed the eLearning module, and 23 face-to-face sessions have been delivered to non-PC users with more than 500 attendees. Additionally face-to-face training has been delivered to more than 70 Headteachers during their Conferences.
11. To further support Schools, a counter-fraud CRSA audit has been arranged for the Autumn Term, which has been introduced through strategic briefings Chairs of Governors and School Budget Forum meetings.
12. The team has engaged with the Corporate Communications Team and a number of senior officers of the Council to support participation in International Fraud Awareness Week commencing 17 November 2019. Preparation is complete for a week long internal communication campaign, for which a summary of the campaign will be provided to Audit Committee in the January Committee meeting.

### **Legal Implications**

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

### **Financial Implications**

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

### **RECOMMENDATIONS**

15. That the Committee:
  - Notes the content of the progress report

**CHRIS PYKE**  
**AUDIT MANAGER**  
12 November 2019

The following appendices are attached:

**Appendix A:** Investigation Team - Progress Report