

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 5</b>
<b>14 SEPTEMBER 2020</b>	<b>PUBLIC REPORT</b>

Report of:	Pete Carpenter, Acting Corporate Director of Resources	
Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Finance	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	Tel. 384 557

**ANNUAL REPORT: INVESTIGATING FRAUD 2019 / 2020**

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM :</b> Steve Crabtree, Chief Internal Auditor	<b>Deadline date :</b> N / A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> <li>1. Receive, consider and endorse the attached annual report on the investigation of fraud during 2019 / 2020.</li> </ol>	

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee as a scheduled report on fraud and irregularity in accordance with the established Work Programme.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The Terms of Reference for the Audit Committee (agreed at Full Council) set out the key roles of the Committee including the following

2.2.1.15: To monitor council policies on “raising concern at work” and the anti-fraud and anti-corruption strategy and the Council’s complaints process.

2.2 The purpose of this report is to present the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring in the Council.

**3. TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet	-
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**4. BACKGROUND AND KEY ISSUES**

4.1 The public is entitled to expect the Council to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for it. In addressing this expectation, the Council has shown its commitment with a dedicated Investigations team which is tasked with reviewing and investigating allegations of fraud and impropriety, breaches in codes of conduct and high level complaints.

4.2 Audit Committee in March 2018 received an update on the strategic approach adopted by the Council in relation to tackling fraud, together with a review of a number of the policies. Best practice checklists and a report from the accountancy professional body, CIPFA, was also attached in relation to fraud. The policies adopted have been regularly refreshed and were last submitted to this Committee in July 2020.

4.3 Throughout the year, works have been undertaken to tackle frauds on Peterborough City Council. These have covered such areas as:

- National Fraud Initiative
- Council Tax single person discounts
- Council Tax support
- Joint working with Department for Works and Pensions
- Blue badge misuse
- Staffing related issues

Many activities have been undertaken during the year to tackle frauds on Peterborough City Council. **Appendix A** provides an overview of the work undertaken during the year, demonstrates the successes in investigating fraud and irregularity across the Council and provides an insight into how the Council will continue to operate, including the latest developments in relation to the National Fraud Initiative.

4.4 At Audit Committee in January 2020, a full report was provided in relation to the National Fraud Initiative.

The National Fraud Initiative continues throughout the year. The current works being:

- Single Person Discount matches. An annual exercise – matches were received just after the above committee. Works continue to verify these data matches.
- Covid Business Grants. In line with government guidelines the Council has made numerous payments to support businesses. Through the National Fraud Initiative, the Council are now able to verify the legitimacy of those payments and look to recover if necessary.
- National Fraud 2020. The full suite of datasets will again be requested in October 2020. Additional datasets this year include National Non Domestic Rates.

**Appendix B** provides Members with the latest briefing – NFI Matters – which is produced nationally to provide further insight into this.

4.5 In recent months, a revised “Fighting Fraud and Corruption Locally – A Strategy for the 2020’s” has also been produced. This document is designed for local government by local government professionals and builds on our own Strategy. The document is enclosed at **Appendix C** and will be used to update and enhance our own approach.

## 5. CONSULTATION

5.1 This report has been issued to the Acting Corporate Director of Resources for consideration.

## 6. ANTICIPATED OUTCOMES OR IMPACT

6.1 That the Audit Committee is informed of the measures taken across the organisation to tackle and prevent fraudulent activity. Furthermore, this will assist in the development of future policies and procedures and allow the Committee to support this important function.

## 7. REASON FOR THE RECOMMENDATION

7.1 To enable the Audit Committee to continue to monitor the Council’s approach to the areas

dealt with by the team

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 The option is not to present a report into fraud and the activities undertaken. This could result in a lack of awareness.

## **9. IMPLICATIONS**

### **Financial Implications**

- 9.1 The Council will become more fraud aware and will continue to consider the risks and consequences. Fraud is unacceptable and requires a well thought through approach. The presumption must be about preventing fraud by designing systems to stop it happening in the first place but where it occurs, there should be an equal presumption that its perpetrators will face tough action. This can only serve to increase the standards of conduct across the Council.

## **10. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 10.1 None

## **11. APPENDICES**

- 11.1 Appendix A: Annual Fraud Report 2019 / 2020  
Appendix B: NFI Matters  
Appendix C: Fighting Fraud and Corruption Locally, 2020 - 2025

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