

Report to:	Audit Committee
Relevant Officer:	Tracy Greenhalgh – Chief Internal Auditor
Date of Meeting	22 nd October 2015

PROTECTING THE ENGLISH PUBLIC PURSE 2015

1.0 Purpose of the report:

1.1 This report provides a summary of the key information identified in first Protecting the English Public Purse report issued by the European Institute for Combatting Corruption and Fraud (TEICCAF).

2.0 Recommendation(s):

2.1 To consider the findings of the national report.

3.0 Reasons for recommendation(s):

3.1 The report provides information relating to the national context of counter fraud work which can help inform the work undertaken by Blackpool Council.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered. N/a

4.0 Council Priority:

4.1 The relevant Council Priority is 'Deliver quality services through a professional, well-rewarded and motivated workforce'.

5.0 Background Information

5.1 In total, English Councils detected fewer cases of fraud in 2014/15 compared with the previous year. However, their value increased by more than 11%. The report analyses the types of fraud most prevalent in Local Authorities and makes recommendations as to what actions need to be taken to strengthen the fraud response across England.

The report identified that the top five issues faced by Councils in tackling fraud include:

- Capacity (sufficient counter fraud resource).
- Better data sharing.
- Effective fraud risk management.
- Capability (having appropriate counter fraud skill sets).
- Corporate appreciation of the financial benefits of tackling fraud.

A number of recommendations were made in the report for local authorities to consider and these included:

1. Use the checklist included in the report for Councillors, senior officers and others responsible for audit and governance to review their counter fraud arrangements.
2. Use the tailored benchmarking comparative analysis to be provided by TEICCAF once available.
3. Assess their own strategy in the context of the national Fighting Fraud Locally 2015 strategy.
4. Give consideration to the social harm caused by fraud when they determine their overall strategy to tackle corporate fraud.
5. Accelerate re-focusing of counter fraud activities towards non-benefit (corporate) frauds.
6. Record and report fraud as fraud.
7. Celebrate and promote their performance in detecting fraud and corruption.
8. Assess their exposure to right to buy and no recourse to public funds fraud.

At Blackpool Council the fraud risk assessment is currently being reviewed and steps will be taken to incorporate the above actions into the work programme for the coming year.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 1 – Protecting the English Public Purse 2015

6.0 Legal considerations:

6.1 All work undertaken by Risk Services is in line with relevant legislation. This is particularly important when undertaking fraud investigations where a number of regulations need to be adhered to.

7.0 Human Resources considerations:

7.1 The Corporate Fraud Team has reduced considerably in size since the transfer of benefit fraud investigation to the Department for Work and Pensions. Therefore, fraud work is risk assessed to match the resource available.

8.0 Equalities considerations:

8.1 N/a

9.0 Financial considerations:

9.1 N/a

10.0 Risk management considerations:

10.1 An annual fraud risk assessment is undertaken to focus the corporate fraud work each year. However delivery of this is limited by the number of reactive investigations that need to be undertaken each year, balanced with the limited resource available.

11.0 Ethical considerations:

11.1 N/a

12.0 Internal/ External Consultation undertaken:

12.1 N/a

13.0 Background papers:

13.1 N/a