

**Report to** Audit committee  
23 July 2013  
**Report of** Head of internal audit and risk management, LGSS  
**Subject** Internal audit and fraud team 2013-14 – 1st quarter update

**Item**

10

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## **Purpose**

To advise members of the work of internal audit and the fraud team between April and June 2013, and progress against the 2013-14 internal audit plan.

## **Recommendations**

To note the:

- (1) work of internal audit between April and June 2013;
- (2) note the progress on the internal audit plan;
- (3) note the work of the fraud team between April and June 2013;
- (4) note the council's response to the Audit Commission's fraud survey 2012-13.

## **Corporate and service priorities**

The report helps to meet the corporate priority Value for money services.

## **Financial implications**

None.

Ward/s: All wards

Cabinet member: Councillor Waters – Deputy leader and resources

## **Contact officers**

Paul Clarke, head of internal audit and risk management, 01604 367130  
LGSS

Steve Dowson, audit manager, LGSS 01603 212575

## **Background documents**

None

# Report

## Background

1. The audit plan for 2013-14, to be delivered by LGSS following the transfer of the finance function, was endorsed by members in March 2013.
2. This report covers the following areas:
  - audit assurance work April to June 2013
  - other areas of non-assurance and financial consultancy work
  - the audit plan 2013-14, showing progress against planned audits
  - summary of fraud team work April to June 2013
  - the council's response to the Audit Commission's annual fraud survey
3. For each audit assurance review a report is presented to the relevant head of service, including recommended actions to be taken. Audits are subsequently followed up to ensure that the agreed actions have been implemented.

## Audit assurance work April to June 2013

4. The following areas were reported on between April and June, most of which were completion of audits started in the final quarter of 2012-13:
  - Payroll – good assurance. No recommendations necessary.
  - Housing rents – moderate assurance. Recommendations agreed – some in place, remainder due for implementation by end of June 2013.
  - Treasury management – moderate assurance. Three of the recommendations were agreed and put in place during the audit; the remainder are due to be implemented by end of December 2013.
  - Planning income – moderate assurance. Recommendations agreed – some in place, remainder due for implementation by end of December 2013.
  - Homelessness – good assurance. Recommendations agreed and due to be implemented by September 2013.
  - Housing voids – good assurance. Recommendations agreed and due to be implemented by December 2013.
  - Homes and communities agency partnership – good assurance. One recommendation, which was agreed and due to be implemented by July 2013.
  - Members' expenses (transactions audit) – arrangements found to be working well. Two minor recommendations were agreed and implemented following the audit.
5. In addition, draft reports for the following areas have been issued, but as responses are still awaited the details are provisional at this stage:
  - Accounts receivable – limited assurance.
  - Academy IT system (housing) – moderate assurance.

- Oracle IT system (financial) – moderate assurance.
- Disaster recovery arrangements – moderate assurance.
- Tourist information centre – good assurance.
- Business continuity arrangements – this work involved reviewing and updating the scorecard from the previous audit, based on the British Standard. The overall score was 63%, a slight improvement on the previous score.
- Performance management – framework is working well.

6. Other assurance work which is in progress is shown in **annex 1**.

## **Follow ups**

7. The following audits were followed up:

- Sports facilities – satisfactory progress on recommendations
- Care and repair contract. One of the two recommendations has been implemented. For the other the follow up found that no action had been taken on the recommendation to obtain details from the previous contractor in respect of decent homes loans. The council has now received information from the contractor and it is currently being reviewed and assessed by the relevant head of service in order to determine what action should be taken. This issue has been included in the draft annual governance statement.

## **Non-assurance work**

8. The main areas of non-assurance work in the period were the preparation of the draft annual governance statement; submission of the Audit Commission's annual fraud survey (see below); and a request to review the garden waste (brown bin) scheme.

## **Progress against the audit plan**

- Details of the annual audit plan for 2013-14 are shown at annex 1, showing estimated and actual days for each area of audit assurance work, with non-assurance and consultancy work shown separately.
- To the end of June 2013, 102 days has been spent on audit assurance work by Norwich-based staff, plus 20 days by other LGSS auditors. Norwich staff also spent 28 days on non-assurance work and unplanned request work.
- At this early stage there is no indication of resourcing issues which might jeopardise planned delivery of the 2013-14 audit plan.

## **Summary of fraud team work April to June 2013**

12. A summary of work by the fraud team to the end of June follows (figures in brackets are for the 2012-13 comparator):

- Number of benefit cases referred to the fraud team – 233 (174)
- Number of referred benefit cases investigated – 114 (163)

- Number of benefit sanctions and prosecutions – 11 (21)
- One council property recovered through investigation
- A cheque was received for just over £16,000 under the Proceeds of Crime Act, to repay the benefit from a case that involved the team's accredited financial investigator
- At present there are around 100 cases outstanding from the national fraud initiative, of which around 30-40% are being dealt with as fraud cases

## **Audit Commission fraud survey 2012-13**

13. Every year the Audit Commission conducts a fraud survey to collect data on various frauds and acts of corruption in local government and related bodies. This section of the report gives details of the council's response to the 2012-13 survey.

14. The Audit Commission needs the data to:

- Inform the publication of Protecting the Public Purse. The 2012 report can be found at <http://www.audit-commission.gov.uk/2012/11/protecting-the-public-purse-2012/>
- Provide a summary of current and emerging fraud risks in the public sector
- Inform the National Fraud Authority's annual assessment of the total value of fraud in the UK.

15. Submission of the information is required under section 48 of the Audit Commission Act 1998.

16. Responding to the survey is by way of a website portal, but a copy of our submission is attached at **annex 2** for members' information.

### **Key messages from the survey submission**

17. In 2012-13 the council reported:

- 55 cases of housing and/or council tax benefit fraud. This should be seen in the context of approximately 20,000 claimants. There were six cases where the reported fraud value was over £10,000 (see Q.19.1 of the survey).
- 32 successful prosecutions for housing and/or council tax benefit fraud
- Three cases of either non-residency or housing application fraud. In all cases the properties were recovered.
- No cases of corruption.

18. The survey has highlighted that further improvements can be made to the council's anti-money laundering and whistleblowing arrangements. These are currently being addressed via the council's corporate governance group.

LGSS Internal Audit - Audit Plan for Norwich City Council 2013-14					
	2013-14				
		Actual to Wk 12			
Audit Assurance Work	Estimated Days	Norwich staff	Camb. staff	Total	Comments
<b>Fundamental systems</b>					
Accounts payable (creditors)	25				To include review of purchase card use
Accounts receivable (debtors)	15				
NCC payroll	10				
Housing rents/arrears	20				
Treasury & cashflow management	10				
Housing & council tax benefits	25				
Council tax	10				
NNDR	10				
General ledger	10				
<b>Sub-total</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Corporate</b>					
City Deal	20				
CIL income / arrangements	10				
Oracle replacement	6				
Procurement & contract management arrangements, as follows:	60				Includes tendering, monitoring, contract management toolkit, safeguarding, CIS, procedural compliance. Involvement in specific contracts
Cash receipting replacement project		4.2		4.2	Ongoing audit presence on project team
New payroll contract		2.1		2.1	Ongoing audit presence on project team
Procurement guide & toolkit		0.3		0.3	Audit review of procurement guide & toolkit - complete
Construction industry tax scheme		5.4		5.4	In progress
Outsourcing arrangements	30				Management of joint ventures / shared services
Budgetary control	20				Revenue and capital
Probity	10	4.3		4.3	In progress - pool cars, fuel cards and travel & subsistence
<b>Sub-total</b>	<b>156</b>	<b>16.3</b>	<b>0</b>	<b>16.3</b>	
<b>Business relationship management</b>					
Asset management	20				Housing & non-housing
ICT audits:	10				
Parking Gateway	10				)
Bacstel IP	10				) Taken from IT audit needs analysis
Remote / mobile computing	10				)
GCSX / PSN compliance	10				
<b>Sub-total</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Operations</b>					
Emergency planning / resilience	10	6.7		6.7	Complete
HCA arrangements	10	11.0		11.0	Complete
HRA business plan & HIP	10				Risk also identified on p.22 of AGR for 2011-12
On-street parking / highways agency	15				Includes permit parking & dispensations
Safety of council properties	20	4.3		4.3	In progress. Covers gas servicing, asbestos, inspections
<b>Sub-total</b>	<b>65</b>	<b>22.0</b>	<b>0.0</b>	<b>22.0</b>	

<b>Strategy, people &amp; democracy</b>					
Commissioning / partnerships	15	4.7		4.7	In progress. Includes grants awarded under commissioning programme
<b>Sub-total</b>	<b>15</b>	<b>4.7</b>	<b>0</b>	<b>4.7</b>	
<b>Customers, communications &amp; culture</b>					
Managing customer demand	10	0.2		0.2	
The Halls	10				
Norman Centre	10				
Tourist Information Centre	10	9.1		9.1	Draft report issued
<b>Sub-total</b>	<b>40</b>	<b>9.3</b>	<b>0</b>	<b>9.3</b>	
<b>Non-specific</b>					
Ad-hoc investigations	20	0.6		0.6	Contingency
To complete 2012-13 plan:	25				
Business support/customer contact teams		4.7		4.7	
Anti-fraud measures		2.4		2.4	Complete
Accounts receivable		15.6		15.6	Draft report issued
Accounts payable		1.6		1.6	In progress
Payroll		4.6		4.6	Complete
Treasury management		2.7		2.7	Complete
Housing rents		0.8		0.8	Complete
General ledger		1.4		1.4	In progress
Planning income		2.3	1.1	3.4	Complete
Business continuity management		2.1		2.1	Draft report issued
Homelessness		0.5	2.9	3.4	Complete
Housing voids		1.4	5.8	7.2	Complete
Members allowances		2.9		2.9	Complete
Performance management					Complete
Information management					In progress
Transformation					
Register of electors					
ICT audits:					
Academy (housing)		0.5	3.6	4.1	Draft report issued
Oracle (financial)		2.4	3.1	5.5	Draft report issued
Disaster recovery		0.4	3.3	3.7	Draft report issued
Follow-ups:	20				
Sports facilities		1.0		1.0	
Care & repair contract		0.9		0.9	
Oracle purchasing		0.9		0.9	
Provision market		0.1		0.1	
<b>Sub-total</b>	<b>65</b>	<b>49.8</b>	<b>19.8</b>	<b>69.6</b>	
<b>Total for audit assurance work</b>	<b>546</b>	<b>102.1</b>	<b>19.8</b>	<b>121.9</b>	

<b><u>Consultancy &amp; non-assurance work</u></b>					
Corporate governance	15	11.9		11.9	Co-ordination & preparation of annual governance statement; corporate governance group
Fraud plan, incl. NFI work	34	4.4		4.4	Fraud survey. Key contact duties for NFI 2012 (matches) and 2013 (data upload)
Advice, unplanned work requests	30	11.3		11.3	Contingency. Incl. garden waste; sheltered housing
<b>Total for non-assurance/consultancy work</b>	<b>79</b>	<b>27.6</b>	<b>0</b>	<b>27.6</b>	
<b>Total Allocated Days</b>	<b>625</b>	<b>129.7</b>	<b>19.8</b>	<b>149.5</b>	
<b><u>Indicative resources</u></b>					
Regional audit & risk manager	20				
Principal client auditor	175				
Client auditors x 2	400				
LGSS support	30				
	<b>625</b>				

## **Protecting the Public Purse - 2012/13 Audit Commission fraud and corruption survey - Districts**

### ***Introduction***

#### **Protecting the Public Purse - 2012/13 Audit Commission fraud and corruption survey**

#### **Section 48 Audit Commission Act 1998 – Request for information.**

The Audit Commission publishes an annual report on fraud and corruption in local government called 'Protecting the Public Purse' (PPP). PPP gives details on amounts of detected fraud, warns of emerging fraud risks and promotes best practice. Much of the information for PPP comes from this survey, which also informs the National Fraud Authority's annual assessment of the total value of fraud in the UK.

Our 2011/12 fraud and corruption survey achieved a 100 per cent response rate. This enabled us to provide an accurate assessment of the total detected fraud figures for local government, and to undertake regional breakdowns and detailed analysis.

We are now asking you to complete and submit the 2012/13 fraud and corruption survey. The deadline for submission is 17 May 2013.

We require submission of the information under section 48 of the Audit Commission Act 1998. Should you wish someone other than yourself to complete the survey please email [d-management@audit-commission.gsi.gov.uk](mailto:d-management@audit-commission.gsi.gov.uk)

If you would prefer to receive this survey in an alternative format for accessibility purposes please contact Duncan Warmington at [fraud-survey@audit-commission.gsi.gov.uk](mailto:fraud-survey@audit-commission.gsi.gov.uk)

A Glossary of terms can be found at the end of the document.



***1. Organisation***

**Name of public body:** Norwich City Council

**Name of 151 Officer / Chief Financial Officer:** Caroline Ryba

**Name of person completing the survey:** Steve Dowson

**Position of person completing the survey:** Audit Manager

**Telephone number of person completing the survey:** 01603 212575

**Email address of person completing the survey:** [stevedowson@norwich.gov.uk](mailto:stevedowson@norwich.gov.uk)

## ***Benefit, council tax and NNDR fraud***

### **2. Housing benefit and council tax benefit fraud**

**Note:** All cases in this survey where management authorised action has been taken, such as an investigation or enquires made, and as a result an officer with management authorisation has determined that on the balance of probabilities a fraud or act of corruption has occurred. As such, cases do not require a sanction or prosecution to be determined as fraudulent.

#### **2.1 Did you have any cases of housing benefit and/or council tax benefit fraud?**

YES ☒

NO ☐

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 3*

**2.2 Number of cases:** 55

**2.3 Value (£'s):** 266,203.70

#### **2.4 Did any of these cases above involve employees or councillors?**

YES ☐

NO ☒

### **3. Housing tenancy fraud**

**3.1 Provide the number of properties in your housing stock, both directly managed and via arms length management organisations (ALMOs):** 15,620

#### **3.2 Did you have any cases of tenancy sub letting fraud?**

**Note:** This is where a tenant lets part, or all, of their home to somebody else contrary to the tenancy agreement. Only report where the property as been brought back into council or ALMO control.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to question 3.6*

#### **3.6 Did you have any cases of other tenancy fraud?**

**Note:** This could include, but not limited to, issues such as fraudulent application, succession, abandonment, or non-occupation as the principle home. Only report where the property as been brought back into council or ALMO control.

YES ☒

NO ☐

*If you answered YES please answer the follow questions  
If you answered NO please go to question 3.10*

**3.7 Number of cases: 3**

**3.8 Did any of these cases above involve employees or councillors?**

YES ☐

NO ☒

**3.10 Did you have any cases of 'right to buy' frauds?**

YES ☐

NO ☒

*If you answered YES please answer the follow questions  
If you answered NO please go to question 3.16*

**3.16 Do you assist other registered social landlords in your area in combating tenancy fraud?**

YES ☒

NO ☐

**3.17 Please provide details:** Following on from a data-matching exercise in 2011-12, in the past year better links have been forged with registered providers through both the referral of benefit fraud cases and through detailed checks for home options customers seeking social housing. In at least one of these cases, a customer was given a non-criminal sanction as the result of a registered provider referral.

#### **4. Council tax fraud**

**4.1 Did you have any cases of council tax single person discount (SPD) fraud?**

**Note:** The total value, including previous years, of council tax owed when a decision during the year determined that the liable person was not entitled to SPD.

YES ☒

NO ☐

*If you answered YES please answer the follow questions  
If you answered NO please go to question 4.7*

**4.2 Number of cases: 1**

**4.3 Value (£'s): 1,062.26**

**4.4 Did any of these cases above involve employees or councillors?**

YES ☐

NO ☒

#### 4.7 Did you have any cases of council tax fraud involving discounts and entitlements other than SPD?

**Note:** The total value, including previous years, of council tax owed when a decision during the year determined that the liable person was not entitled in whole or part to any discount or entitlement. Discounts or entitlement could include, but not limited to, student discounts.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 5*

### 5. National non-domestic rates fraud

#### 5.1 Did you have any cases of national non-domestic rates (NNDR) fraud?

**Note:** This is any fraud linked to the evasion of paying NNDR including, but not limited to, falsely claiming mandatory or discretionary relief, falsely using insolvency status, failure to declare occupation, and payment using false bank details.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 6*

### ***Procurement, Insurance, and Economic/ third sector fraud***

#### 6. Procurement fraud

**Note:** This is any fraud linked to the false procurement of goods and services for the organisation either by internal or external persons or companies including, but not limited to: violation of procedures; manipulation of accounts; records or methods of payment; failure to supply; failure to supply to contractual standard.

#### 6.1 Did you have any cases of procurement fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 7*

#### 7. Fraudulent insurance claims

**Note:** This is any insurance claim against your organisation or your organisation's insurers that proves to be false.

#### 7.1 Did you have any cases of fraudulent insurance claims?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*  
*If you answered NO please go to section 9*

## **8. ~~Social services fraud~~**

## **9. Economic and third sector support fraud**

**Note:** This is any fraud that involves the false payment of grants, loans or any financial support to any private individual or company, charity, or non governmental organisation including, but not limited to: grants paid to landlords for property regeneration; donations to local sports clubs; loans or grants made to a charity.

### **9.1 Did you have any cases of economic and third sector support fraud?**

YES ☐

NO ☒

*If you answered YES please answer the follow questions*  
*If you answered NO please go to section 10*

## ***Debt, Pensions and Investment fraud***

## **10. Debt Fraud**

**Note:** This is any fraud linked to the avoidance of a debt to the organisation including, but not limited to: council tax liabilities (do not include SPD from question 4.1); rent arrears; false declarations; false instruments of payment or documentation.

### **10.1 Did you have any cases of debt fraud?**

YES ☐

NO ☒

*If you answered YES please answer the follow questions*  
*If you answered NO please go to section 11*

## **11. Pension Fraud**

**Note:** This is any fraud relating to pension payments including, but not limited to: failure to declare changes of circumstances; false documentation; or continued payment acceptance after the death of the pensioner.

### **11.1 Did you have any cases of pensions fraud?**

YES ☐

NO ☒

*If you answered YES please answer the follow questions*  
*If you answered NO please go to section 12*

## 12. Investment fraud

**Note:** This is any fraud relating to investments including, but not limited to: the fraudulent misappropriation of assets; or loss through breach of procedures

12.1 Did you have any cases of investment fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 13*

## ***Payroll and Expenses fraud, Abuse of position and Other fraud***

## 13. Payroll and employee contract fulfilment fraud

**Note:** This includes, but is not limited to: the creation of non existent employees; unauthorised incremental increases; the redirection or manipulation of payments; false sick claims; not working required hours; or not undertaking required duties.

13.1 Did you have any cases of payroll and contract fulfilment fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 14*

## 14. Expenses fraud

**Note:** This includes, but is not limited to: false declarations of mileage; false documentation to support allowances; breaches of authorisation and payment procedures.

14.1 Did you have any cases of employee expenses fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to question 14.4*

14.4 Did you have any cases of councillor expenses fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 15*

## 15. Abuse of position

**Note:** This could include frauds not reported elsewhere (the financial gain could be for the fraudster or other) including, but not limited to: the misappropriation or distribution of funds by someone taking advantage of their position such as payments officers, bursars or finance managers; or fraudulently securing a job for a friend or relative.

### 15.1 Did you have any cases of abuse of position for financial gain?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 15.4*

### 15.4 Did you have any cases of manipulation of financial or non financial data?

**Note:** This includes, but is not limited to: the falsifying of statistics to ensure performance targets are met; or the adjustment of accounts to remain within set financial limits for the benefit of an individual or the organisation.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 16*

## 16. Other fraud

### 16.1 Did you have any other types of fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 18*

## ***Recruitment fraud and fraud reporting***

## 18. Recruitment fraud

**Note:** This could involve any applications, including attempts, to gain employment or subsequently where any of the details prove to be false, including but not limited to: false identity, immigration (no right to work or reside); false qualifications; or false CVs.

### 18.1 Did you have any cases of recruitment fraud?

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 19*

## 19. Fraud reporting

**Note:** External auditors are required to report to the Audit Commission all frauds over £10,000 and all incidents of corruption within the audited body – these reports are called AF70s.

**19.1 Of all the fraud cases you have reported, in how many individual cases did the fraud value amount to over £10,000?** 12

**19.2 Not included in figures elsewhere, how many incidents of corruption did you have involving a councillor?** 0

**19.3 Not included in figures elsewhere, how many incidents of corruption did you have involving an employee?** 0

**Note:** Please see the glossary for the definition of corruption for the purpose of this survey.

## Fraud and Corruption Prosecutions

### 20. Housing benefit/council tax benefit fraud

**20.1 Did you prosecute any cases of housing benefit and/or council tax fraud?**

**Note:** Please include cases where the first court hearing was held between 1 April 2012 and 31 March 2013

YES ☒

NO ☐

*If you answered YES please answer the follow questions*

*If you answered NO please go to question 20.5*

**20.2 Number of cases:** 36

**20.3 Did any of these cases above involve employees or councillors?**

YES ☐

NO ☒

**20.5 Did you have any housing benefit and/or council tax prosecutions that resulted in a guilty outcome?**

**Note:** Please include those cases where the offender was sentenced between 1 April 2012 and 31 March 2013.

YES ☒

NO ☐

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 21*

**20.6 Number of cases:** 32



**20.7 Did any of these cases above involve employees or councillors?**

YES ☐

NO ☒

**21. Fraud (excluding housing benefit and council tax benefit fraud)**

**21.1 Did you prosecute any cases of fraud?**

**Note:** Please include cases where the first court hearing was held between 1 April 2012 and 31 March 2013.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to question 21.5*

**21.5 Did you have any fraud prosecutions that resulted in a guilty outcome?**

**Note:** Please include those cases where the offender was sentenced between 1 April 2012 and 31 March 2013.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 22*

**22. Corruption prosecutions**

**22.1 Did you prosecute any cases of corruption?**

**Note:** Please include cases where the first court hearing was held between 1 April 2012 and 31 March 2013.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to question 22.3*

**22.3 Did you have any corruption prosecutions that resulted in a guilty outcome?**

**Note:** Please include those cases where the offender was sentenced between 1 April 2012 and 31 March 2013.

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 23*

***Audit Committee and Policies*****23. Policies**

**23.1 Do you have an anti money laundering policy?**

YES ☐

NO ☒

**23.2 Do you take active steps each year to raise awareness of this policy?**

YES ☐

NO ☒

**23.3 Do you have a whistleblowing policy?**

YES ☒

NO ☐

**23.4 Do you take active steps each year to raise awareness of this policy?**

YES ☒

NO ☐

**23.5 Do you have an anti bribery policy?**

YES ☐

NO ☒

**23.6 Do you take active steps each year to raise awareness of this policy?**

YES ☐

NO ☒

**23.7 Do those charged with governance annually review your whistleblowing Arrangements in line with British Standards PAS 1998:2008 'Whistleblowing arrangements Code of Practice'?**

YES ☐

NO ☒

**23.8 How many whistleblowing cases did you centrally log in line with British Standards PAS 1998:2008 'Whistleblowing Arrangements Code of Practice'? 1**

***Counter fraud and corruption activity*****24. Counter fraud and corruption activity**

**24.1 Do you have a dedicated counter fraud and corruption resource?**

YES ☒

NO ☐

**24.2 How many fully time equivalent counter fraud specialists did you have at 31 March 2013? 4.4**

**Note:** We define a counter fraud specialists to be any officer working on preventing and or investigating fraud or recovering the proceeds of fraud. These could include, but not limited to, verification visiting officers, qualified fraud investigators, financial investigators and dedicated counter fraud auditors tackling fraud against the public purse. We do not include trading standards officers.

**24.3 Comparing the number of full time counter fraud specialist you had at 31 March 2013 with 31 March 2012 has your number**

Increased ☐  
 Decreased ☐  
 Remained the same ☒

**24.4 Of your counter fraud specialists reported in Question 24.2 approximately, what percentage of this resource is used purely on benefit fraud?**

Less than 25% ☐  
 25% to 50% ☐  
 51% to 75% ☐  
 More than 75% ☒

**24.5 Do you undertake an annual assessment of corporate fraud and corruption risk?**

YES ☐  
 NO ☒

**24.6 Do you have a counter fraud and corruption plan?**

YES ☐  
 NO ☒

**24.7 Is this plan approved by councillors?**

YES ☐  
 NO ☒

**24.8 Do you produce an annual report on counter fraud and corruption activity and performance?**

YES ☒  
 NO ☐

**24.9 Is this annual report submitted to councillors?**

YES ☒  
 NO ☐

**24.10 Is this annual report made public?**

YES ☒

NO ☐

**24.11 Have you reviewed your counter-fraud arrangements in the context of the NFA's strategy for local government, *Fighting Fraud Locally*?**

YES ☒

NO ☐

**24.12 Do you have a councillor who has portfolio responsibility for corporate fraud?**

YES ☒

NO ☐

***Fidelity guarantee insurance, Emerging risks, and Best practice***

**25. Fidelity guarantee insurance**

**25.1 Have you made any claims under your Fidelity guarantee insurance?**

YES ☐

NO ☒

*If you answered YES please answer the follow questions*

*If you answered NO please go to section 26*

**26. Emerging risks**

**26.1 What emerging risk areas for fraud or corruption did you identify during 2012/13?** New under occupancy rules have brought to light additional people in households which resulted in overpayment of benefit

**27. Best practice**

**27.1 If you have any examples of counter fraud or corruption activity that you consider to be best practice please provide details:** Norwich City Council's fraud team includes a qualified financial investigator for the purposes of POCA and he was involved in a successful recovery in 2012/13

**28. Comments**

**28.1 If you would like to comment on the Audit Commission fraud and corruption survey please do so here:** None

## ***Fraud and corruption survey glossary***

### Financial year

This survey covers fraud detected in your organisation in the financial year ended 31 March 2013.

### Fraud

For the purposes of this survey we define fraud as: *'An intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken including, but not limited to, disciplinary action, civil action or criminal prosecution.'*

### Corruption

For the purposes of this survey we define corruption as: *'The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its councillors or officers.'*

We will use the information from this survey for research, to inform future reports, and develop and spread best practice on counter fraud and corruption activities.

### Detected incidents

The statistics we are establishing are those based on facts. The survey, therefore, collects only detected incidents of fraud and corruption.

We define a detected incident to be: *'Where action has been taken following an investigation or enquires, and as a result an officer with management authorisation has determined that on the balance of probabilities a fraud or act of corruption has occurred. Action could include, but not limited to, prevention of a payment, the stopping of an entitlement, the raising of a debt or overpayment, prosecution, dismissal or some form of internal disciplinary action.'*

### Value

For the purposes of this survey the value of fraud is based on the balance of probability which is the evidential standard used in civil court cases. For this survey civil debt recovery need not have taken place, but the consideration of recovery is possible. The balance of probability is defined as: *'It is more likely than not that fraud has occurred for the financial amounts and duration the information at hand tends to confirm.'*

### Councillors

We use the term *'Councillor'* to mean all elected and appointed persons on local authority bodies, local councils, police bodies, fire and rescue authorities and school governing bodies.

### Employees

We use the term *'employees'* to mean all staff that fall under a remit of the public body. This includes for example, police officers, support officers, fire fighters, temporary and contract personnel.

### Tenancy fraud / Blue badge / Recruitment

For tenancy fraud, disabled parking concessions (Blue Badge) and recruitment we do not require a value figure because of the complexity involved in determining a correct amount. Therefore, a standard value will be applied to each reported case.

### National Fraud Authority

We will pass elements of collated information from the survey to the National Fraud Authority (NFA). The NFA will use the data to develop understanding of the national picture of fraud and to design national counter fraud strategies.

Please answer ALL the questions relating to your organisation.