

### **Audit committee**

**Date:** Tuesday, 20 January 2015

**Time:** 16:30

**Venue:** Mancroft room, City Hall, St Peters Street, Norwich, NR2 1NH

#### **Committee members:**

##### **Councillors:**

Neale (chair)  
Wright (vice chair)  
Boswell  
Bremner  
Harris  
Kendrick  
Little  
Waters

#### **For further information please contact:**

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### **Pre-meeting 16:00**

There will be an informal training session for members of the committee and interested members at 16:00 on the housing revenue account

### **Information for members of the public**

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## Agenda

### Page no

#### 1      **Apologies**

To receive apologies for absence

#### 2      **Public questions/petitions**

To receive questions / petitions from the public (notice to be given to committee officer in advance of the meeting in accordance with appendix 1 of the council's constitution)

#### 3      **Declaration of interest**

(Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)

#### 4      **Minutes**

**5 - 8**

To approve the accuracy of the minutes of the meeting held on 18 November 2014.

#### 5      **Certification of claims and returns annual report 2013-14**      **9 - 20**

**Purpose** - To review and note the attached report from the council's external auditor.

#### 6      **Internal audit and fraud team 2014-2015 - November to December update**      **21 - 42**

**Purpose** - To advise members of the work of internal audit between November and December 2014 and progress against the 2014-15 internal audit plan, together with the work of the fraud team between April and December 2014.

#### 7      **Local Government Audit committee briefing**

**This item is for information**

Briefing note provided by Ernst & Young, the council's external auditors, for audit committees in the local government sector.

**Local government audit committee briefing**

**43 - 54**

Date of publication: **Monday, 12 January 2015**





**Audit committee**

**16:30 to 18:00**

**18 November 2014**

Present: Councillors Neale (chair), Wright (vice chair), Boswell, Driver (substitute for Councillor Bremner), Harris, Kendrick, Little and Waters

Apologies: Councillor Bremner

**1. Declarations of interest**

There were no declarations of interest.

**2. Minutes**

**RESOLVED** to agree the accuracy of the minutes of the meeting held on 18 November 2014, subject to item 4, Audit results report, the final sentence of the last paragraph, deleting “would be available by January 2015.”

**3. Annual Audit letter**

(The external audit director (EY) attended the meeting for this item.)

The chief finance officer introduced the report and provided clarification for each of the four significant risks outlined in the external auditor’s report.

Discussion ensued on the weakness in the fixed asset register system. In reply to a member’s question, the chief finance officer said that she would work with the external auditors to agree reasonable figures for 2007 when the revaluation reserve was first introduced. The external audit director explained what materiality was in relation to assessing the group boundary and how it was applied on a company by company basis. Members were also advised that the understatement of £0.511 million in the provision charged to the collection fund would be amended in future years.

The committee noted that the conclusions of the external audit work that had been undertaken on the 2013-14 accounts were set out in the Executive summary.

**RESOLVED** to note the contents of the annual audit letter and the attached report from the council’s external auditors.

#### **4. Risk management report**

The internal audit manager, LGSS, presented the report and explained the changes to the corporate risk register and risk management policy following a review by the corporate leadership team. (Copies of the annexes showing the proposed changes to the corporate risk register and risk management policy were circulated at the meeting.)

During discussion the internal audit manager, the head of internal audit and risk management (LGSS) and the chief finance officer referred to the report and answered members' questions on the methodology used for risk management.

A member referred to the corporate risk register and expressed concern that in relation to A2, relating to the delivery of the corporate plan and the supporting policies and strategies within the council's strategic framework, the controls, which included the environmental strategy, should be considered individually. The chair referred to the environmental strategy and said that he considered the controls to be reactive rather than positive. Members were advised that the delivery of the council's corporate priorities cascaded to service level agreements. Councillor Waters, cabinet member for resources, said that the cabinet had adopted a well-rounded approach to assess the inherent risks to the implementation of the corporate plan and that the controls to mitigate this risk were actions that the council would take to reduce the risk. He also pointed out that the cabinet and scrutiny committee considered the performance indicators and monitored the performance of the delivery of the corporate plan throughout the year. The residual risk for public sector funding was high because government policy could change and be adverse to the delivery of the council's delivery of its corporate policies. Therefore the controls were responsive to external factors coming into play.

During discussion members referred to the corporate risk register and sought clarification on specific items. Members were advised that the key controls in relation to B4, capital developments included robust contract management. The key controls associated with the delivery of council housing could be reviewed. A member referred to C4, failure of a major contractor or legal challenge following an unsuccessful tender bid would produce the same score following the key controls. The internal audit manager said that the key controls were satisfactory and would reduce the risk but not the impact. In relation to B2, income generation, members were advised that in addition to the key controls listed there would be training for senior officers in commercial skills. A member referred to C3, information security, and suggested that "avoid" should be replaced with "prohibit" to ensure that no data was saved on any device unless it was encrypted. Members were advised that the council's ICT policy had been updated and the council now used encrypted laptops and memory sticks. A member pointed out that C3 should also include external malicious attacks.

Discussion ensued on whether climate change should be included on the corporate risk register as a risk in its own right. It was suggested that the impact of climate change was addressed through the council's policies and strategies. The committee was advised that the corporate risk register should be meaningful to the delivery of the council's corporate priorities. The cabinet proposed the corporate plan to the

council for adoption and discussion on policy was outside the remit of this committee.

**RESOLVED** to recommend the amendments to corporate risk register and risk management policy to cabinet.

## **5. Internal audit and fraud team 2014-15 – September to October update**

The internal audit manager presented the report. He also updated the committee on the proposals for a review of the 26,000 people in receipt of council tax single person discount (SPD) and the discussions with the county council. It was expected that around two to six percent of people in receipt of SPDs would be found to be ineligible. The county council was not obliged to fund the review but would receive three-quarters of the sum from the cessation of discounts. The internal audit manager, together with the head of internal audit and risk management and the chief finance officer, referred to the report and answered members' questions.

During discussion the committee considered the potential for fraud within the organisation and was assured that the council's governance arrangements, financial systems and policies to prevent the risk of fraud, including internal audit arrangements. The external auditor also confirmed that incidents of fraudulent activity would be identified as part of the annual audit of the accounts.

The team leader (fraud) (LGSS) provided a detailed response to a member regarding the reasons for benefit overpayments and explained that many were customer error and this could be reduced. The benefits system was not flexible resulting in overpayments when people worked for part of a week or people not informing the council of a change in circumstances. The council was awarded incentives for meeting targets and penalised for officer error through the benefits administration grants.

During discussion the committee noted that 161 local authorities had submitted bids to the Department for Communities and Local Government to retain its counter-fraud work and develop new areas to counter-fraud.

**RESOLVED** to note:

- (1) the work of internal audit between September and October 2014;
- (2) progress on the 2014-15 internal audit plan;
- (3) work of the fraud team between April and October 2014;
- (4) latest position on the national fraud initiative (NF1).

CHAIR





**Report to** Audit committee  
20 January 2015  
**Report of** Chief finance officer  
**Subject** Certification of claims and returns annual report 2013-14

**Item**

**5**

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**Purpose**

This report presents the Certification of claims and returns annual report 2013-14.

**Recommendation**

To review and note the attached report from the council's external auditor.

**Corporate and service priorities**

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

**Financial implications**

There are no direct financial implications arising from this report.

**Ward/s:** All wards

Cabinet member: Councillor Waters – Deputy leader and resources

**Contact officers**

Justine Hartley, Chief finance officer

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# Report

## Background

1. This annual certification report summarises the findings from the 2013-14 certification work undertaken on claims and returns.

## Key points to note

2. The audit committee is asked to note the following significant matters covered in the report:
  - (a) The covering letter sets out the responsibilities of the auditors and the audited body.
  - (b) The report outlines the results of the 2013-14 certification work of two claims and returns with a total value of £74.3 million.
  - (c) The housing benefits subsidy claim has been qualified. Details of the qualification are set out in section 1 of the report.
  - (d) During the certification work one error was identified in the pooling of housing capital receipts that was amended by officers.
  - (e) Fees for the certification work are summarised in section 2 of the report. The Audit Commission applied a general reduction of 40% to certification fees in 2013-14. The actual fees for 2012-13 have been included to assist year on year comparisons.

# Certification of claims and returns annual report 2013/14

Norwich City Council

12 January 2015



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Norwich City Council  
City Hall  
St. Peter's Street  
Norwich  
NR2 1NH

12 January 2015

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Dear Member

## Certification of claims and returns annual report 2013/14 Norwich City Council

We are pleased to report on our certification work. This report summarises the results of our work on Norwich City Council's 2013/14 claims and returns.

### Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require certification from an appropriately qualified auditor of the claims and returns submitted to them.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. When such arrangements are made, certification instructions issued by the Audit Commission to appointed auditors of the audited body set out the work they must undertake before issuing certificates and set out the submission deadlines.

Certification work is not an audit. Certification work involves executing prescribed tests which are designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions.

In 2013/14, the Audit Commission did not ask auditors to certify individual claims and returns below £125,000. The threshold below which auditors undertook only limited tests remained at £500,000. Above this threshold, certification work took account of the audited body's overall control environment for preparing the claim or return. The exception was the housing benefits subsidy claim where the grant paying department set the level of testing.

Where auditors agree it is necessary, audited bodies can amend a claim or return. An auditor's certificate may also refer to a qualification letter where there is disagreement or uncertainty, or the audited body does not comply with scheme terms and conditions.

## Statement of responsibilities

In March 2013 the Audit Commission issued a revised version of the 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' (statement of responsibilities). It is available from the Chief Executive of each audited body and via the Audit Commission website.

The statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

This annual certification report is prepared in the context of the statement of responsibilities. It is addressed to those charged with governance and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

## Summary

Section 1 of this report outlines the results of our 2013/14 certification work and highlights the significant issues.

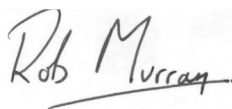
We checked and certified two claims and returns with a total value of £74.3 million. We met the submission deadlines for both the housing benefits subsidy claim and the pooling of capital receipts return.

We issued one qualification letter for the housing benefits subsidy claim. Details of the qualification matters are included in section 1.

Fees for certification work are summarised in section 2. Indicative fees are set by the Audit Commission and reflect the amount of work required by the auditor to certify the claims and returns in that year.

We welcome the opportunity to discuss the contents of this report with you at the next Audit Committee.

Yours faithfully

A handwritten signature in black ink that reads "Rob Murray". The signature is written in a cursive style with a horizontal line underneath the name.

Rob Murray  
Director  
Ernst & Young LLP  
Enc

## Certification of claims and returns annual report 2013-14

### Contents

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## 1. Summary of 2013/14 certification work

We certified two claims and returns in 2013/14. The main findings from our certification work are provided below.

### Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£67,236,395
Amended	Yes
Qualification letter	Yes
Fee - 2013/14	£46,365
Fee - 2012/13	£45,127

Councils run the Government's housing benefits scheme for tenants. Councils responsible for the scheme claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' testing (extended testing) if initial testing identifies errors in the calculation of benefit or compilation of the claim. We found errors and carried out extended testing in several areas.

We reported the impact of errors to the DWP. The following are the main issues included in our qualification letter, the claim was not amended for these:

- Income assessment errors for Non HRA Rent Rebate cases. Extended 40+ testing was applied to quantify results. We reported three errors with an extrapolated error value of £34,269.
- Income assessment errors for Rent Allowance cases. Extended 40+ testing was applied to quantify results. We reported four errors with an extrapolated error value of £88,017.
- Incorrect classification of eligible overpayments for Non HRA Rent Rebate cases. Extended 40+ testing was applied to quantify results. We reported five errors with an extrapolated error value of £2,392.
- Incorrect classification of eligible overpayments for Rent Allowance cases. Extended 40+ testing was applied to quantify results. We reported five errors with an extrapolated error value of £4,509.

The claim was also amended for modified scheme errors. Due to the small population of this cell and a recent history of errors affecting the cell we agreed with the Council to examine the whole population to allow an agreed amendment to be made. Testing of the whole population identified sixteen cases where incorrect war pension income had been applied leading to expenditure misclassification error.

The total value of amendments made to the claim was £124.



## Pooling of housing capital receipts

Scope of work	Results
Value of return presented for certification	£7,032,822
Limited or full review	Limited review
Amended	Yes
Qualification letter	No
Fee - 2013-14	£4,030
Fee - 2012-13	£4,030

Councils pay part of a housing capital receipt into a pool run by the Department of Communities and Local Government. Regional housing boards redistribute the receipts to those councils with the greatest housing needs. Pooling applies to all local authorities, including those that are debt-free and those with closed Housing Revenue Accounts, who typically have housing receipts in the form of mortgage principal and right to buy discount repayments.

The return was amended for a receipt (£2,700) received in quarter three but not included in the return. We certified the amount payable to the pool without qualification.

## 2. 2013/14 certification fees

The indicative fee was based on actual certification fees for 2011-12 adjusted for schemes no longer requiring certification. The fees for certification of housing benefit subsidy claims have been reduced by 12 per cent, to reflect the removal of council tax benefit from the scheme.

Audit work in 2013/14 was completed in line with the indicative composite fee for Norwich City Council, £50,395. This compares to a charge of £49,157 in 2012-13.

Claim or return	2012-13	2013-14	2013-14
	Actual fee	Indicative fee	Actual fee
	£	£	£
Certification of claims and returns including the annual report	49,157	50,395	50,395

Fees for annual reporting, planning, supervision and review have been allocated directly to the claims and returns.

### 3. Looking forward

The DCLG and HM Treasury are working with grant-paying bodies to develop assurance arrangements for certifying claims and returns following the closure of the Audit Commission in 2015. Subject to confirmation, we expect these new arrangements to apply to 2014/15 claims and returns and therefore the CFB06 Pooling of housing capital receipts scheme to fall outside the Audit Commission's arrangements.

We expect to certify the Authority's 2014/15 claim for housing benefit subsidy from the Department for Work and Pensions (DWP) under the arrangements developed by the Audit Commission. Arrangements for 2015/16 onwards are to be confirmed, but it is likely that auditor certification will be needed until Universal Credit replaces housing benefit.

For 2014/15, the Audit Commission has calculated indicative certification fees based on the latest available information on actual certification fees for 2012/13, adjusted for any schemes that no longer require certification.

The Council's indicative certification fee for 2014/15 is £38,310. The actual certification fee for 2014/15 may be higher or lower than the indicative fee, if we need to undertake more or less work than in 2012/13 on individual claims or returns. Details of individual indicative fees are available at the following link:

[<http://www.audit-commission.gov.uk/audit-regime/audit-fees/proposed-work-programme-and-scales-of-fees-201415/proposed-estimated-indicative-certification-fees/>]

Variations from the indicative fee should only occur only where issues arise that are significantly different from those identified and reflected in the 2012/13 fee.

The Audit Commission has changed its instructions to allow appointed auditors to act as reporting accountants where the Commission has not made, or does not intend to make, certification arrangements. This removes the previous restriction saying that the appointed auditor cannot act if the Commission has declined to make arrangements. This is to help with the transition to new certification arrangements.

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<b>Report to</b>	Audit committee 20 January 2015	<b>Item</b>
<b>Report of</b>	Head of internal audit and risk management, LGSS	<b>6</b>
<b>Subject</b>	Internal audit and fraud team 2014-15 – November to December update	

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## Purpose

To advise members of the work of internal audit between November and December 2014 and progress against the 2014-15 internal audit plan, together with the work of the fraud team between April and December 2014.

## Recommendations

To note:

- (1) the work of internal audit between November and December 2014;
- (2) the progress on the 2014-15 internal audit plan;
- (3) the work of the fraud team between April and December 2014;
- (4) the latest position on the national fraud initiative (NFI);
- (5) the latest counter fraud developments;
- (6) the Audit Commission's *Fraud Briefing 2014*.

## 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

Jonathan Idle, head of internal audit and risk management (LGSS)	01223 715317
Steve Dowson, internal audit manager (LGSS)	01603 212575
Andrew Rush, team leader (fraud), LGSS	01603 212632

## Background documents

None

# Report

## Background

1. The internal audit plan for 2014-15, was endorsed by members in March 2014.
2. This report covers the following areas:
  - audit assurance work November to December 2014, plus other areas of non-assurance work
  - the audit plan 2014-15, showing progress against planned audits
  - summary of fraud team work April to December 2014
  - the latest position on the national fraud initiative (NFI).
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 November to December 2014

4. The following areas were reported on between November and December:
  - Land and property searches – substantial assurance. There was assurance across completeness and promptness of responses, and fee collection.  
  
However, a review of the process for setting discretionary fees is required to ensure it complies with regulations; no reconciliation of income to the general ledger is carried out; certain statutory public records are maintained in paper format and would benefit from being made electronic.  
  
Six recommendations were agreed which are due to be implemented by the end of June 2015.
  - Workforce IT system – substantial assurance. Workforce is the Council's HR system used to record all forms of staffing activities. There was assurance across most of the areas including system administration procedures; input, processing and output controls; system interface controls; audit trails; and backup and disaster recovery.  
  
However, the procedure for recording changes to corporate systems is incomplete and some risks specific to application systems have not been identified, documented and adequate controls put in place.  
  
Two recommendations were agreed which are due to be implemented by the end of December 2014.
  - Income from street trading consents – substantial assurance. There was assurance across the processes for issuing consents, setting up invoices and collecting income, and there is currently no outstanding debt.  
  
However, fees have not changed for a number of years and there is no extra charge for the use of electricity; staff can vary fees without further authorisation; and inconsistencies were found between the fees quoted in some consents and the amount actually invoiced.

Five recommendations were agreed which are due to be implemented by the end of December 2014.

5. Other assurance work which is in progress is shown in **appendix 1**.

## Non-assurance work

6. The main areas of non-assurance work in the period were:

- Reporting the council's risk management policy and corporate risk register to cabinet in December.
- Checking and uploading council tax and electoral register datasets for the NFI 2014-15 data matching exercise.

## Progress against the audit plan

7. Details of the annual audit plan for 2014-15 are shown at **appendix 1**, showing estimated and actual days for each area of audit assurance work, with non-assurance work shown separately.
8. To the end of December 2014, 251 days has been spent on audit assurance work. This includes work on audits started at the end of 2013-14 but not completed. 69 days were also spent on non-assurance work and unplanned request work.
9. Two of the IT audits are complete; the three others have had draft reports issued and should be completed by the end of January.
10. In lieu of changed circumstances appertaining to some planned audits and reviews of planned coverage with senior management, the following amendments to the plan are proposed:

**Table 1: Proposed Changes to the Audit Plan**

Area	Assignment	Addition	Deletion	Amendment
Fundamental Systems	NCC Payroll			√
	Housing Rents			√
	Housing Benefits			√
	Council Tax			√
	NNDR			√
Corporate	Income Generation	√		
	Joint Ventures	√		
Business Relationship Management	Financial Systems Replacement		√	

11. Subject to the agreement of the committee to the proposed changes, a revised forecast of the audit plan will be agreed with the chief finance officer.
12. Implementation of the planned restructure of the LGSS internal audit service has been delayed, which has had an impact on delivery of the audit plan. Resources have, however, been utilised from within the wider LGSS internal audit team in the delivery of the 2014-15 plan.
13. It has also been agreed with the external auditor that where the last audit of a key financial system resulted in full or substantial assurance, we will tailor our audit work to reflect previous findings when these systems are audited in Q4.
14. This means we will follow up previous recommendations; undertake an analytical review; and confirm and walk through the key controls. Findings will still be formally reported to management.
15. This approach will be applied to payroll (substantial assurance); housing rents (full); housing benefits (substantial); council tax (substantial); and NNDR (full).

## **Summary of fraud team work April to December 2014**

16. A summary of work by the fraud team in the current year follows (figures in brackets are for the 2013-14 comparator):
  - Number of benefit cases referred to the fraud team – 502 (666)
  - Number of referred benefit cases investigated – 289 (374)
  - Number of benefit sanctions and prosecutions – 60 (30)
17. At the end of December the fraud team had identified benefit overpayments in excess of £377,350. The annual KPI for this is £160,000 (approximate running costs of the fraud team), so this measure has already been substantially exceeded. Each case of fraud or customer error results in a subsidy payment of 40% of the total overpaid amount to the authority, therefore the team have almost paid for themselves in subsidy returns alone (£151,000).
18. By the end of December the fraud team had completed 60 sanctions and prosecutions (the total for the whole of 2013-14 was 40).

## **National fraud initiative (NFI) 2012-13**

19. This is the main data matching exercise by the Audit Commission which occurs every two years. The results were received at the end of January 2013.
20. There are no changes to the figures previously reported, with the exception that 99% of reports have now been closed; therefore the details are not repeated here.

## **NFI 2014-15**

21. All of the required datasets for the 2014-15 data matching exercise in October 2014 have been uploaded. The resulting matches for possible investigation should be made available by the end of January 2015.



## **Latest counter fraud developments**

### **Counter fraud fund**

22. In July 2014, the DCLG invited English local authorities to submit proposals for a Counter Fraud Fund, which in total amounted to £316m over 2014-15 to 2015-16. The Department set out that they were keen to fund innovative joint proposals and partnership bids.
23. LGSS internal audit submitted a bid in September 2014, the theme of which was "The Development of a Regional Multi-Organisational Counter Fraud Operation" from a current base of Cambridgeshire and Northamptonshire County Councils, Norwich City Council and Northamptonshire Partnerships Homes / Northampton Borough Council.
24. The intention of the proposal was to enable LGSS to enhance its existing capacity and capability to offer counter fraud and investigative services to councils throughout East Anglia and the East Midlands.
25. Since the previous audit committee in November 2014, it has been announced that LGSS internal audit has been successful and an award of £329,000 has been made.
26. In December 2014, the Communities Minister, Lord Ahmad, visited Cambridgeshire County Council to be briefed about how the funds will be utilised. Details of this meeting can be found on the LGSS website.
27. The various strands of the proposal are now at the initial stages of being project managed and governance and monitoring arrangements to the DCLG have been established. Internal governance responsibilities will also include regular updates on progress to the audit committee.
28. Discussions with senior management at Norwich City Council will occur to mutually address non benefit-fraud for the council for 2015-16.

### **Single Fraud Investigation Service (SFIS) update**

29. The fraud team has been liaising with DWP counterparts in preparation for the transfer of benefit fraud work. New benefit fraud referrals will be routed directly to the DWP from 2 March 2015 and the council fraud team will cease any benefit investigations by Friday 27 March.
30. Potentially, all fraud team members are in scope to transfer to the DWP from 1 April 2015; this will include relocation to a DWP fraud site. It is up to the council to deem which posts are in scope and the DWP has no restriction on numbers who can transfer.
31. By 1 April 2015, the benefits service must have in place a Single Point of Contact (SPoC) to handle all benefit related traffic from and to the DWP SFIS.
32. Norwich City Council has yet to say how non-benefit fraud referrals (tenancy, right to buy, procurement, insurance, council tax, business rates, internal) will be managed and investigated, but expect some investigation support from those posts funded through the DCLG fund

## Housing tenancy fraud

33. Housing management team has commissioned a data matching exercise to help assess existing tenancies and investigate possible tenancy fraud. Callcredit's 'ThreeSixty Tenant View' is a batch data matching product which compares the council's tenant data to other datasets to ensure that the expected tenants are still resident or, where this is not the case, trace the expected tenants and name the current occupiers. Results are delivered in summary form together with a detailed report for each property where fraud may be taking place, to enable further investigation.
34. Of 1,500 tenancies checked so far, 12 have resulted in some form of action, ranging from simple updating of records to declaring for benefit purposes. However, no properties have been recovered as a result of tenancy fraud, which indicates that existing checks and reviews seem to be effective.

## Audit Commission closure and CIPFA's counter fraud work

35. In advance of the closure of the Audit Commission in March 2015, their counter fraud team has now closed. Following a due diligence exercise DCLG and CIPFA agreed that the intended transfer of the team to CIPFA should not proceed. Accordingly, online relevant counter fraud tools and outputs will be published before the Commission closes, which will be openly available. This will not put CIPFA's counter fraud centre of excellence at risk, and DCLG continues to work closely with CIPFA, the LGA and other key stakeholders on promoting counter fraud in local government, including the DCLG recently announced £16m investment in new projects.
36. As far as we know, the *Protecting the Public Purse* (PPP) reports and the annual fraud and corruption surveys (and associated fraud briefings) will be discontinued. CIPFA have published a Code of Practice on Managing the Risk of Fraud and Corruption and will take-on the *Fighting Fraud Locally* (FFL) role. An end of year FFL document will continue and some of the areas covered by PPP may be picked up in that. The FFL page will continue on the CIPFA site and will be populated with free counter fraud tools wherever possible.

## Audit Commission *Fraud Briefing 2014*

37. The council's submission for the Audit Commission's fraud and corruption survey 2013-14 was reported to audit committee in July 2014. Following this the Audit Commission has produced a final fraud briefing containing comparative information on the council's fraud detection performance based on the survey's results. The briefing is attached at **appendix 2** for members' information.
38. Please note that there is a minor error in the briefing: on the page headed *Other frauds 2013/14*, in the box for internal fraud it states that "Norwich detected this type of fraud and did not report the number of cases." In fact, no cases of internal fraud were detected.

LGSS Internal Audit - Internal Audit Plan for Norwich City Council 2014-15			
	2014-15		
	Estimated days	Actual to Wk 40	Comments/latest position
<b>Audit Assurance Work</b>			
<b>Fundamental systems</b>			
Purchasing	20	26.0	Complete
Accounts receivable (debtors)	15	14.9	In progress
NCC payroll	15	0.3	Preparation
Housing rents/arrears	20		
Housing & council tax benefits	25		
Council tax	15		
NNDR	15		
<b>Sub-total</b>	<b>125</b>	<b>41.2</b>	
<b>Corporate</b>			
Procurement & contract management arrangements:	35		Allowance for possible input to tendering, monitoring, procedural compliance. Involvement in specific contracts. Plus presence on project teams
New bank contract		19.2	Audit presence on project team
NPS		3.0	Preparation
Parking permits		0.8	
Claims certification	20		
Probity	20	3.9	Income from street trading complete
<b>Sub-total</b>	<b>75</b>	<b>26.9</b>	
<b>Business relationship management</b>			
Financial IT system replacement	30		Upgrade or replace Oracle Financials. Q4
Council tax & NNDR systems	15		VFM review - impact of scheme changes on collection rates
ICT audits:	60	70.9	Incl. embedded assurance - Corporate Information Assurance Group; input to IT audits
Civica			Draft report issued
Northgate			Draft report issued
Workforce			Complete
Parking Gateway			Complete
Bacstel IP			Complete
<b>Sub-total</b>	<b>105</b>	<b>70.9</b>	
<b>Operations</b>			
CIL income	10		January, if sufficient transactions
Provision market	15	11.8	Complete
Licensing	10		Jan/Feb 2015
Leasehold services	15		Q4
Cemeteries	15		Q4
Home improvements	15	5.3	In progress
Parking income	15	8.5	In progress
<b>Sub-total</b>	<b>95</b>	<b>25.6</b>	

<b>Audit Assurance Work</b>	<b>Estimated days</b>	<b>Actual to Wk 40</b>	<b>Comments/latest position</b>
<b>Customers, communications &amp; culture</b>			
Land charges	10	14.5	Complete
<b>Sub-total</b>	<b>10</b>	<b>14.5</b>	
<b>Non-specific</b>			
Ad-hoc investigations	20	3.4	Contingency (no major investigations to date)
To complete 2013-14 plan	35		
Managing customer demand		6.1	Complete
Payroll		3.9	Complete
NNDR		5.4	Complete
C Tax		5.2	Complete
Commissioning		0.0	Testing complete
Housing benefits		5.6	Complete
Treasury management		0.6	Complete
Purchase cards		13.9	Complete
Accounts payable		12.0	In progress
Follow-ups	25	15.8	Follow ups required by PSIAS
<b>Sub-total</b>	<b>80</b>	<b>71.9</b>	
<b>Total for audit assurance work</b>	<b>490</b>	<b>251.0</b>	
<b>Consultancy &amp; non-assurance work</b>			
Corporate governance	30	14.6	Preparation of AGS; corporate governance group; update code of governance
Anti-fraud and NFI work	45	32.9	Fraud risks; key contact for NFI 2014-15 (upload data & ensure matches investigated)
Advice, unplanned work requests	35	21.7	Contingency
<b>Total for non-assurance/consultancy work</b>	<b>110</b>	<b>69.2</b>	
<b>Total Allocated Days</b>	<b>600</b>	<b>320.2</b>	
<b>Indicative resources post-restructure</b>			
Head of audit	10		
Principal client auditor	140		
Client auditors	400		
LGSS support	50		
	600		

# Protecting the Public Purse

## Fraud Briefing 2014

### Norwich City Council



# Purpose of Fraud Briefing



Provide an information source to support councillors in considering their council's fraud detection activities



Extend an opportunity for councillors to consider fraud detection performance, compared to similar local authorities



Give focus to discussing local and national fraud risks, reflect on local priorities and the proportionate responses needed



Be a catalyst for reviewing the council's current strategy, resources and capability for tackling fraud

# Understanding the bar charts

Outcomes for the first measure for your council are highlighted in yellow in the bar charts. The results of your comparator authorities are shown in the green bars.



Outcomes for the second measure for your council are highlighted as a green symbols above each bar. The results of your comparator authorities are shown in the white triangles.



A ‘\*’ symbol has been used on the horizontal axis to indicate your council.

All data are drawn from council submissions on the Audit Commission’s annual fraud and corruption survey for the financial year 2013/14.

In some cases, council report they have detected fraud and do not report the number of cases and/or the value. For the purposes of this fraud briefing these ‘Not Recorded’ records are shown as Nil.

# Comparator group

Breckland  
Broadland  
Cambridge  
Cheltenham  
Chesterfield  
Crawley  
Exeter  
Gloucester  
Great Yarmouth  
Harlow  
Ipswich  
Kings Lynn and West Norfolk  
Lincoln  
North Norfolk  
Northampton  
Norwich  
Oxford  
Preston  
South Norfolk  
Stevenage  
Welwyn Hatfield



# Interpreting fraud detection results



Contextual and comparative information needed to interpret results



Detected fraud is indicative, not definitive, of counter fraud performance (*Prevention and deterrence should not be overlooked*)



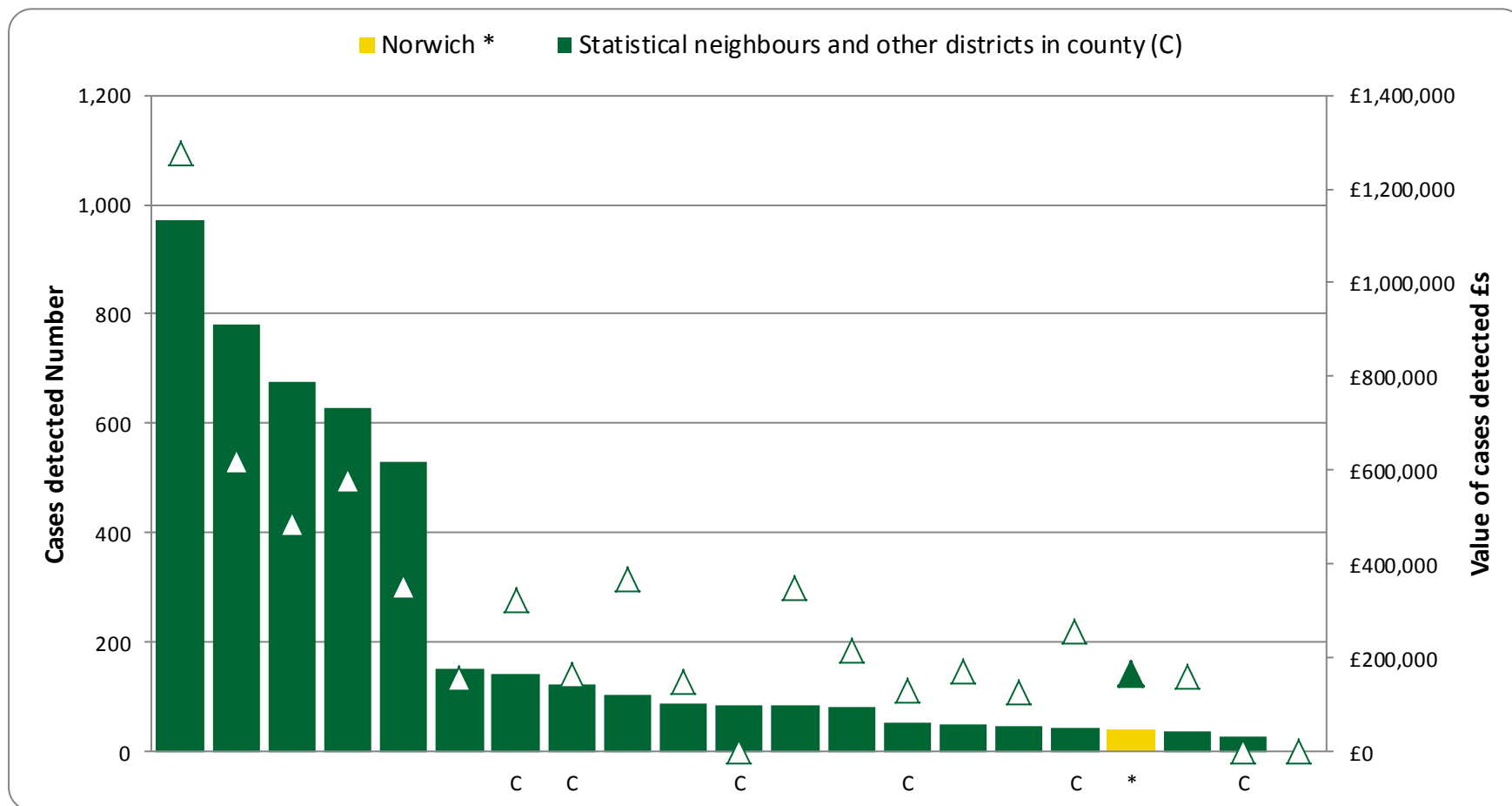
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



Councils who look for fraud, and look in the right way, will find fraud (*There is no such thing as a small fraud, just a fraud that has been detected early*)

# Total detected cases and value 2013/14 (Excludes Housing tenancy fraud)

## Norwich



Norwich detected 41 cases of fraud. The value of detected fraud was £164,315.

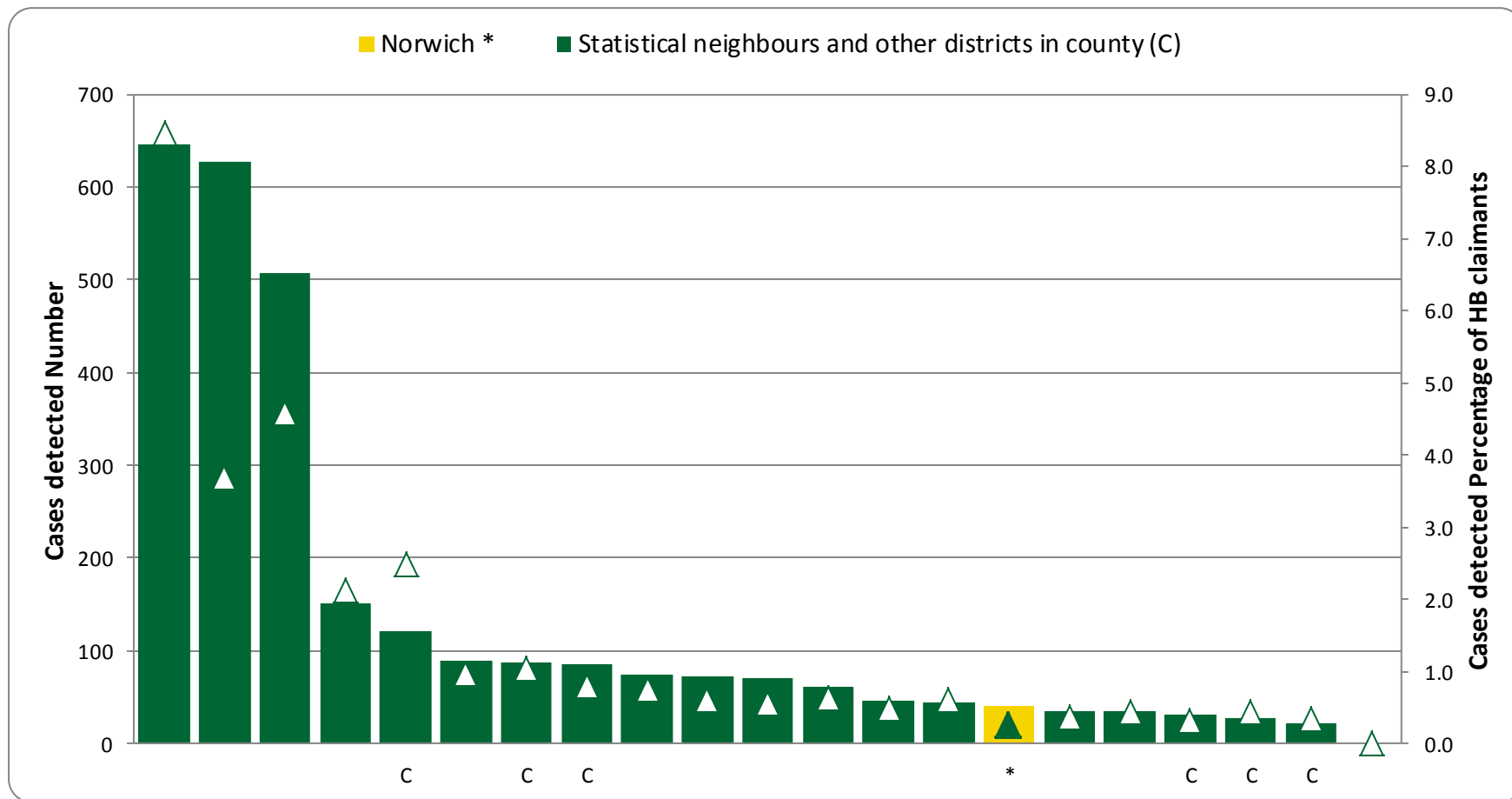
Page 34 of 54

Average for statistical neighbours and county: 235 cases, valued at £294,191

# Housing Benefit (HB) and Council Tax Benefit (CTB) 2013/14

## Total detected cases, and as a proportion of housing benefit caseload

### Norwich



Norwich detected 40 cases of this type of fraud. The value of detected fraud was £163,291.

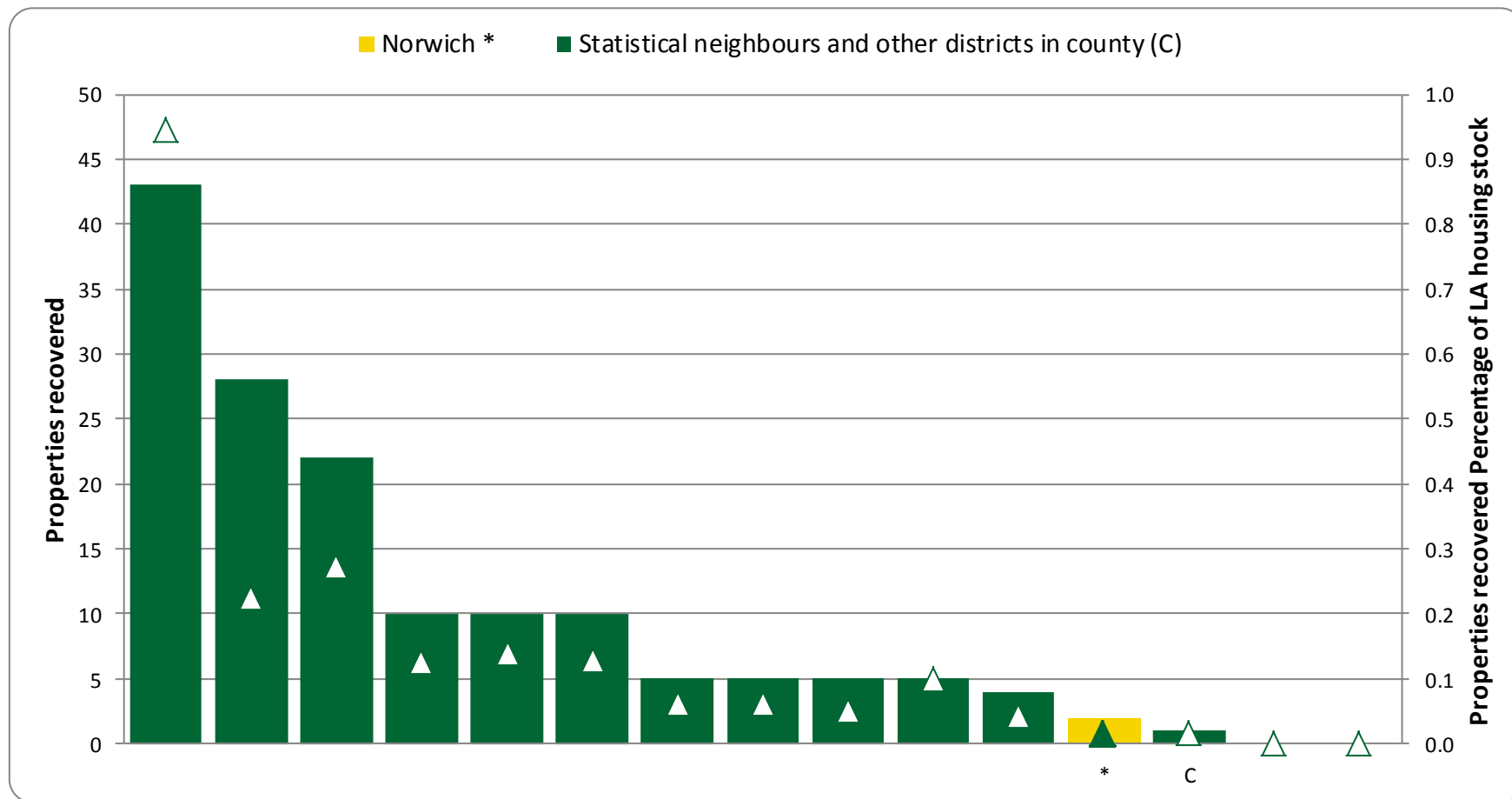
Average for statistical neighbours and county: 142 cases, valued at £264,946

## Norwich

# Social Housing fraud (only councils with housing stock) 2013/14

## Total properties recovered, and as a proportion of housing stock

### Norwich

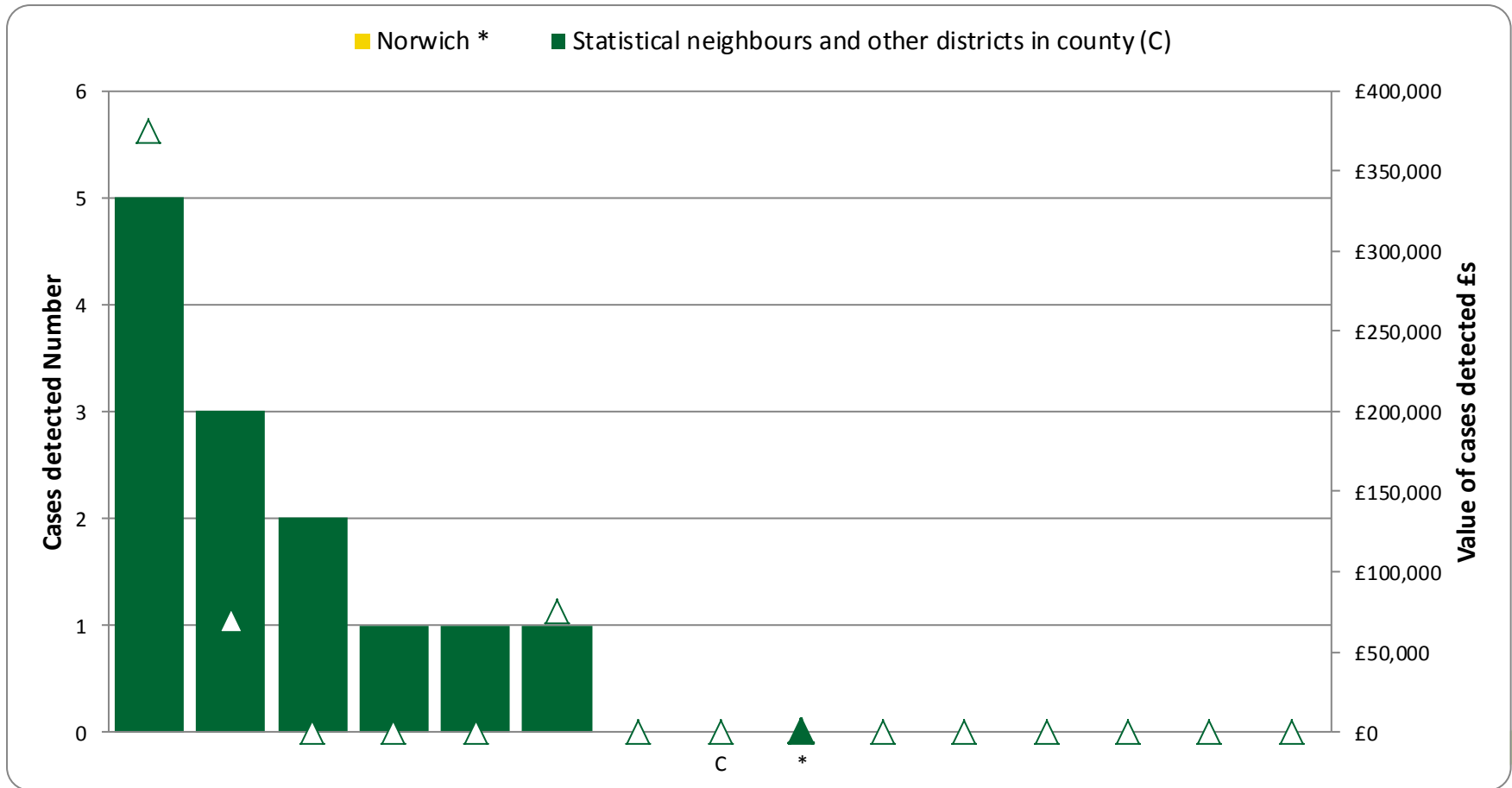


Norwich recovered 2 properties.

Page 37 of 54

Average for statistical neighbours and county with housing stock: 11 cases

# Norwich



Norwich did not detect any cases of this type of fraud.

Average for statistical neighbours and county with no housing stock: 1.0 case, valued at £130,000

## Other frauds 2013/14

### Norwich

Procurement: Norwich did not detect any cases of this type of fraud.  
Total for statistical neighbours and county: 1 case, valued at £36,000

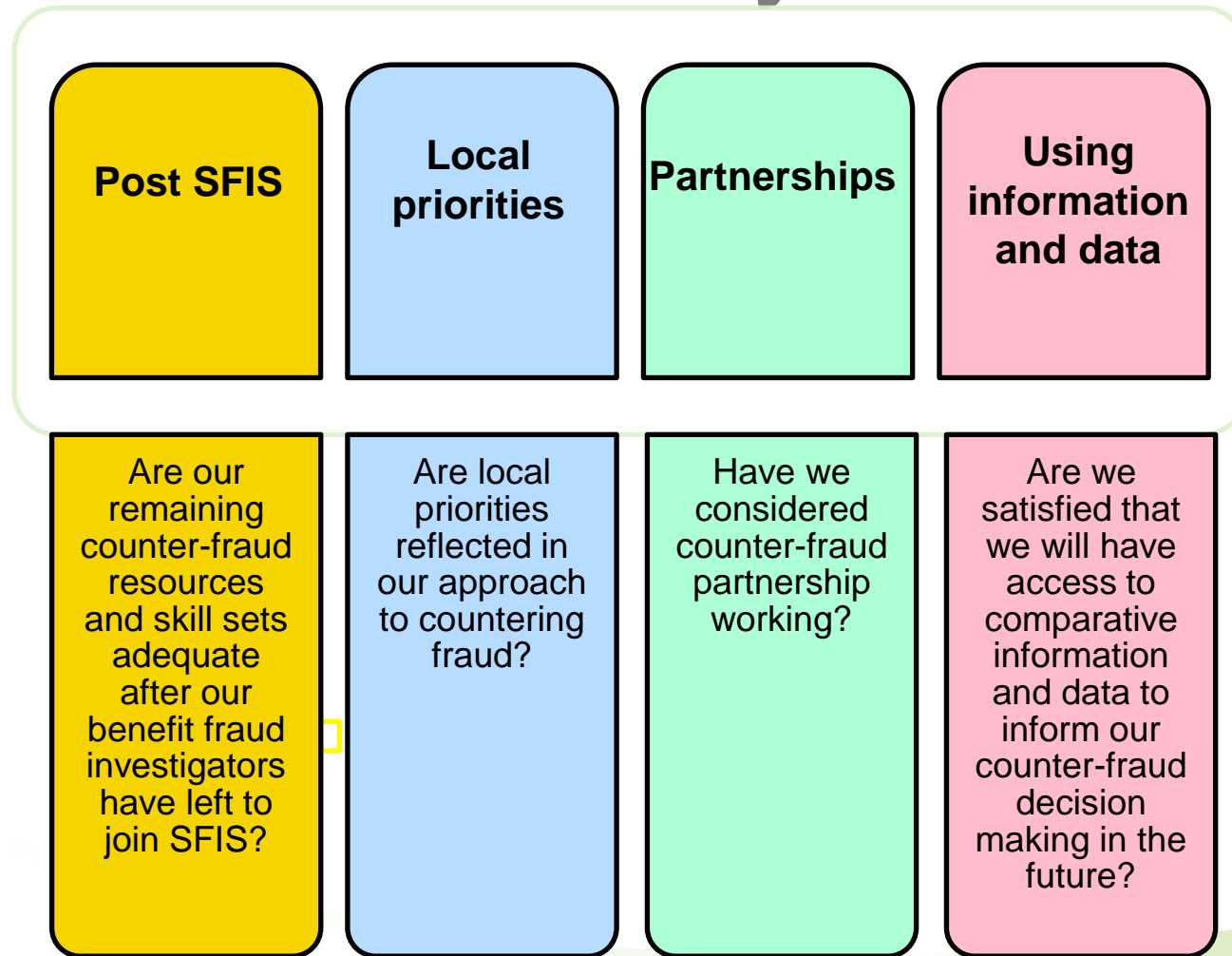
Insurance: Norwich did not detect any cases of this type of fraud.  
Total for statistical neighbours and county: 1 case, valued at £0

Economic and third sector: Norwich did not detect any cases of this type of fraud.  
Total for statistical neighbours and county: 0 cases

Internal: Norwich detected this type of fraud and did not report the number of cases.  
Total for statistical neighbours and county: 14 cases, valued at £19,565

*Correctly recording fraud levels is a central element in assessing fraud risk.  
It is best practice to record the financial value of each detected case*

# Questions elected members and decision makers may wish to ask





# Any questions?







# Local Government Audit Committee Briefing

## Contents at a glance

**Government and economic news**

**Accounting, auditing and Governance**

**Regulation news**

**Key Questions for the Audit Committee**

**Find out more**

## Introduction

This sector briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving. It covers issues which may have an impact on your organisation, the Local government sector and the audits that we undertake. The public sector audit specialists who transferred from the Audit Commission form part of EY's national Government and Public Sector (GPS) team. Their extensive public sector knowledge is now supported by the rich resource of wider expertise across EY's UK and international business. This briefing reflects this, bringing together not only technical issues relevant to the local government sector but wider matters of potential interest to you and your organisation.

Links to where you can find out more on any of the articles featured can be found at the end of the briefing, as well as some examples of areas where EY can provide support to Local Authority bodies. We hope that you find the briefing informative and should this raise any issues that you would like to discuss further please do contact your local audit team.



Building a better  
working world



## Government and economic news

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### **EY Item Club: Autumn 2014 Forecast**

ITEM Club is the only nongovernmental economic forecasting group to use the HM Treasury model of the UK economy, independent of any political, economic or business bias. The Autumn 2014 report summarises the latest quarterly forecast and gives EY's assessment.

The ONS's recent revisions to the UK's historical economic data have given a very different perspective on the shape of the recession and subsequent recovery.

Consumer spending remains subdued by falling real wages, which has helped to keep inflation at bay. Inflation as measured by the CPI was just 1.2% in September, the lowest reading in five years and ninth successive month that it has been below 2%. Whilst falling prices for food and petrol have played a role in keeping inflation down, underlying price pressures are also well contained. Since consumer spending has been subdued, business investment has now taken over as the engine of recovery; with capital spending accounting for almost half the rise in GDP in the past year. UK GDP has been revised up, meaning it actually passed its previous high-point in 2013, and that output is now well above the 2008 peak.

This picture is more consistent with the strong growth in employment. The upward revisions to business investment have been particularly pronounced; meaning the scope for catch up is less than previously thought. Despite the growing risks and uncertainties, EY Item club is projecting GDP growth of 3.1% in 2014, followed by a slight easing to 2.4% growth in 2015 and 2.3% in 2016, and then a modest uptick in 2017.

### **Contracting out public services to the private sector**

In the last briefing we considered the response of the House of Commons Committee of Public Accounts (the 'PAC') to evidence including the National Audit Office report 'The role of major contractors in the delivery of public services' and submissions from central government bodies.

The PAC made a range of recommendations in four key areas. In the previous briefing we looked at contract management and delivery. We will now consider Capability, Transparency and Ethical Standards.

#### **Capability**

The PAC found that, often, there is a lack of expertise within central government to extract the greatest value from contracting with private providers.

We often find that both public and private sector organisations lack clear lines of responsibility for contract management, which falls between procurement, operations and finance functions. A greater focus on contract governance would enable local authorities to ensure that accountability is clear and that experienced contract managers have the necessary training and skills for this important role.

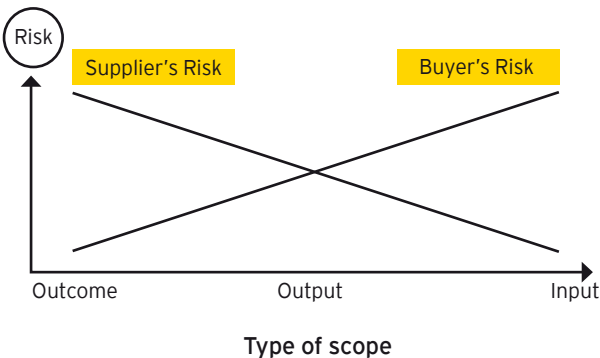
#### **Transparency**

Calls for increased transparency include recommendations that the public sector makes greater use of 'open-book' accounting. This is something we would endorse, especially where contracts are constructed around the purchase of 'inputs' such as labour on a daily or hourly rate.



# Government and economic news

Furthermore, we would recommend that the public sector considers whether it can purchase services based around outcomes, rather than inputs, as these can help to mitigate the buyer's risk as illustrated below:



## Ethical standards

The PAC emphasised the value of effective whistleblowing policies. Our experience shows that many private sector suppliers have whistleblowing policies. However, these tend not to provide a direct link from the potential whistleblower to the public sector buyer, sometimes reducing the effectiveness of these policies.

However, in order for whistleblowing to be a truly effective contract management tool, the buyer needs to have appropriate routes to provide rights of access to a contractor's employees as well as its accounting records, plus the teams with the necessary skills and experience to investigate contract performance.

## Summary

At a time when local authorities continue to look for savings, the PAC Report provides a timely reminder that effective contract management can both:

- ▶ Be a means by which savings can be achieved
- ▶ Help to improve public confidence in the use of public funds

## Councils face a £5.8 billion shortfall in funding says LGA

The Local Government Association (LGA) has published its Future Funding Outlook 2014, which notes that the funding gap, created by a combination of funding cuts and spending pressures, is growing at an average rate of £2.1 billion per year. Spending on social care and waste management, both of which have significant statutory elements, is taking up an increasing proportion of the funding available to councils, which means that according to the LGA model, funding for other council services will drop by 43% in cash terms by the end of the decade. Council expenditure has fallen significantly since 2010-11 in all areas other than public transport, children's social care, adult social care and waste management and other environmental services. However, assuming consistent service levels, and taking into account cost drivers and assumed efficiency levels, the LGA model predicts that total expenditure will rise from £51.1 billion in 2013-14 to £55.7 billion in 2019-20, whereas total funding will fall by £10.6 billion when the impact of ring-fenced funding for public health is excluded. Bringing together the predicted income and expenditure trends, the LGA forecasts a gap of £12.4 billion between funding and net expenditure by 2019-20. LGA research indicates that in many authorities savings are starting to come from service reductions rather than efficiencies, and that in 2015-16, savings will be achieved more through service reductions than through efficiencies. The funding gap by the end of 2015-16 is forecast to be £5.8 billion, of which £1.9 billion relates to adult social care.



## Government and economic news

### **Independent commission on local government finance**

The Local Government Association and the Chartered Institute for Public Finance Accountancy have together established the Independent Commission on Local Government Finance, which is chaired by Darra Singh, a partner in EY's Government and Public Sector team. The Commission aims to build on the work of the LGA and CIPFA, who individually set out proposals for public service reform, and will consider five key challenges:

- ▶ Promoting economic growth and investment in infrastructure
- ▶ Ensuring sufficient housing is provided in every place
- ▶ Integrating the health and social care systems to promote independent living, including preventing unnecessary health intervention
- ▶ Achieving a welfare benefits system that promotes work and protects the vulnerable
- ▶ Supporting families and developing young lives through early intervention

The Commission aims to shape the debate on local government finance, and to influence the next government. It published an interim report in October, and its final recommendations are due out in early 2015.

The interim report contains the following key points:

- ▶ The need for reform is urgent and creates an opportunity to establish a funding system for local government which is largely self-sufficient.
- ▶ Councils have a role to play in addressing the chronic housing shortage, and should be able to borrow to invest in social housing.
- ▶ The Commission will be looking at the option of creating central funds which offer to match-fund local partnership contributions in order to support early intervention for children and families.
- ▶ Larger investment in transformation is needed for the delivery of integrated care.





# Accounting, Auditing and Governance

## Future of Local Audit

As part of its consultation on Local Audit Regulations associated with the Local Audit and Accountability Act, which ended on 18 July 2014, the government is proposing to bring forward the dates for the accounts to be signed and certified by the Responsible Financial Officer, then approved and published, from 30 June and 30 September respectively to 31 May and 31 July respectively. They propose that this change would take place from the 2017-18 accounts, but hope that authorities will move to the new timetable as soon as possible.

The consultation also covers collective auditor procurement by a specified person. Under the intended regulations, authorities would be able to opt in to sector-led procurement arrangements, and have an auditor appointed on their behalf, rather than appointing their own auditor locally. Under the draft regulations, the Secretary of State may specify the Appointing Person, and may specify different appointing persons for different groups or types of audited bodies.

## Grant claim certification results

The Audit Commission has published a report on its findings from the 2012-13 grant claim certification process. As well as adjustments to claims worth £17.3 million, auditors issued qualification letters for 360 claims and returns. This included:

- ▶ 255 Housing Benefit subsidy claims, 78% of the total,
- ▶ 55 Teachers' Pensions returns, 36% of the total,
- ▶ 39 National Non-domestic Rates returns, 12% of the total

From 2013-14, non-domestic rates returns no longer require auditor certification. Teachers' Pensions has decided to make its own certification arrangements for 2013-14, however the Audit Commission and, after March 2015, its successor transitional body will continue to make certification arrangements for housing

benefit subsidy. Council tax benefit was replaced in 2013-14 with local authority run schemes, which do not require auditor certification. Other grant paying bodies will need to make their own assurance arrangements from 2014-15 onwards.

The purpose of qualification letters is to make a grant paying body aware of issues with a claim or return, typically issues for which it is not possible or cost-effective to quantify the full financial impact. The Department for Work and Pensions issued a subsidy circular (HB S4-2014) in May 2014, reiterating the responsibilities of local authorities to ensure their subsidy claims are:

- ▶ Completed accurately and in accordance with HB subsidy guidance and circulars
- ▶ Supported by systems of internal control, including systems of financial control and internal audit
- ▶ Completed in a timely manner
- ▶ Supported by adequate working papers
- ▶ Subject to supervision and review before completion of the authority's certificate
- ▶ Certificate given by an appropriate officer, typically the responsible finance officer

The circular also states the Department's intention to contact all local authorities whose subsidy claims have been qualified. It will require an outline of the actions taken to address the issues raised. In cases with recurrent qualification issues, the Department will also visit those authorities.

## Protecting the public purse: 25 years on

Detection of fraud in England in 2013-14 by Councils and other local government bodies was at its highest level since the recording of fraud was established some 25 years ago by the Audit Commission. The total figure of £188mn was a 10 fold increase on



# Accounting, Auditing and Governance

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the first recorded figure in 1990. The Audit Commission was and is the sole provider of comprehensive data on all types of fraud detected by local authorities. This is due to the statutory powers the Commission has, to demand that local government bodies provide such data.

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The Audit Commission's Chairman, Jeremy Newman commented: 'I urge the government to mandate the provision of fraud data from all local authorities, after the Commission's closure, to ensure that future reports are able to provide as complete and authoritative a picture of fraud detection as 'Protecting the Public Purse'. This would help preserve the high levels of transparency and accountability that English councils currently exhibit in their approach to countering fraud and prevent those councils that are not yet playing their part in the fight against fraud, from avoiding public scrutiny.'

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The Audit Commission has also released a checklist for elected members, designed to help them analyse their council's results and assess how the NFI is integrated into the council's processes and counter-fraud policies. The Commission recommends that public audited bodies should consider whether it is possible to make better use of matches, and use NFI matches in conjunction with matching services from other providers. It also recommends that local authorities should ensure they retain sufficient capability to investigate non-housing benefit fraud, after the introduction of the Single Fraud Investigation Service.

The Commission's Fraud Team will be moving to CIPFA as part of the closure of the Audit Commission.

The Cabinet Office and the Audit Commission will be working together to ensure the smooth transfer of the NFI functions when the Audit Commission closes in March 2015.

## **Audit fees at a 25 year low as part of the Audit Commission's legacy**

In its last full year of operation before being officially wound down on 31 March 2015 the Audit Commission has announced that it is reducing audit fees by approximately £30 million between 2015-2017. If the government decides to extend and lock in the 2012 and 2014 audit contracts until 2020, it is expected that the total value of savings to local government, police, fire and NHS bodies would be approximately £440mn.

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Chairman of the Audit Commission, Jeremy Newman says: 'We have driven down prices for audit services, showing again that bulk procurement is the best way to maintain a competitive market and provide taxpayers with value for money. The resulting savings are part of the legacy the Commission will leave after March 2015, and will be enjoyed by local authorities and NHS bodies for years after our closure. Fees should be preserved at this level for 2016-17 and we hope the government will take the opportunity we have secured to lock in and extend the savings we have achieved up to 2020.'

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In addition to the above savings, the Commission also intends to return approximately £6mn as a rebate to Local Government and NHS bodies in 2014-15

A transitional body, Public Sector Audit Appointments Limited (PSAAL), has been established by the Local Government Association to oversee the management of the Audit Commission's external audit contracts until they end in 2017 or are possibly extended until 2020. The PSAAL will be responsible for setting fees, appointing auditors and monitoring the quality of auditors' work. They will also be responsible for publishing the Commission's Value for Money Profile tool.





## Regulation News

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### Open and Accountable Government

The government has introduced a new law allowing the press and public to film and digitally report (including tweeting and blogging) from all public meetings of local government bodies. These rules will apply to all public meetings including town and parish councils, and fire and rescue authorities. The regulations also give members of the press and public rights to see information related to significant decisions made outside meetings by officers acting under general or specific delegated powers.

### Whistleblowing

The Department for Business, Innovation and Skills (BIS) has recently launched a consultation, which closed at the end of September 2014, seeking views on the practical implementation of a legal power requiring prescribed persons to report annually on whistleblowing disclosures. Because of the duty of confidentiality binding prescribed persons, and a lack of legal obligation to investigate, BIS found that whistle-blowers do not have confidence that their reports are investigated. The Department is therefore introducing a reporting requirement in order to ensure more systematic processes across prescribed bodies, and to provide greater reassurance to whistle-blowers that their reports are being

acted on. The reports would not provide specific detail enabling the whistle-blower or the organisation about which the report is made to be identified, but would contain more generic information about the number of disclosures made, and the characteristics of those disclosures, such as whether they required further investigation or referral to an alternative body.

Meanwhile, the Parliamentary Commission on Banking Standards (PCBS) has published recommendations for enhancing corporate transparency, governance and integrity. Eleven of the PCBS' recommendations relate specifically to whistleblowing. The Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) have indicated their intention to adopt all eleven and consequently we can expect change to the regulatory landscape in the near future. We also noted earlier, that whistleblowing was an area raised by the PAC, who emphasised the value of effective whistleblowing policies.

Whistleblowing is therefore clearly a key area for consideration, for both the public and private sectors.

EY has produced a whistleblowing flyer to help you to consider your whistleblowing framework's effectiveness, and whether your culture encourages employees to raise concerns.



## Key Questions for the Audit Committee

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### What questions should the Audit Committee be asking itself?

- ▶ Do we have clear lines of responsibility for contract management?
- ▶ Have we considered whether use of outcome based contracts could mitigate our 'buyers' risk'?
- ▶ Have we responded to the questions raised in Appendix 2 of the latest NFI report?
- ▶ How effective is our whistleblowing policy?



## Find out more

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### **EY Item Club: Autumn 2014 Forecast**

Find EY Item Club's Autumn 2014 forecast at:

[http://www.ey.com/Publication/vwLUAssets/EY-ITEM-Club-Autumn-Forecast-2014-full-report/\\$FILE/EY-ITEM-Club-Autumn-Forecast-2014-full-report.pdf](http://www.ey.com/Publication/vwLUAssets/EY-ITEM-Club-Autumn-Forecast-2014-full-report/$FILE/EY-ITEM-Club-Autumn-Forecast-2014-full-report.pdf)

### **Contracting out public services to the private sector Read the NAO report at:**

<http://www.nao.org.uk/wp-content/uploads/2013/11/10296-001-BOOK-ES.pdf>

To find out how EY can help with contract management, contact a member of your engagement team.

### **Councils face a £5.8 billion shortfall in funding says LGA**

Read the LGA's press release, on what they have termed the '£5.8bn funding black hole' at

[http://www.local.gov.uk/web/guest/finance/-/journal\\_content/56/10180/6309034/NEWS](http://www.local.gov.uk/web/guest/finance/-/journal_content/56/10180/6309034/NEWS).

Find the full report at:

<http://www.local.gov.uk/documents/10180/5854661/L14-340+Future+funding+-+initial+draft.pdf/1854420d-1ce0-49c5-8515-062dcca2c70>

### **Independent Commission on Local Government Finance**

Read the Commission's interim report at:

[http://www.localfinancecommission.org/-/media/iclgf/documents/l14536%20interim\\_report\\_web\\_v2.pdf](http://www.localfinancecommission.org/-/media/iclgf/documents/l14536%20interim_report_web_v2.pdf)

### **Future of Local Audit**

<https://www.gov.uk/government/consultations/local-audit-regulations>

### **Grant Claim Certification Results**

Read the full Audit Commission report at:

<http://www.audit-commission.gov.uk/wp-content/uploads/2014/06/Local-government-claims-and-returns-final-17-June-2014.pdf>

The DWP circular is also available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/309613/s4-2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/309613/s4-2014.pdf)



## Find out more

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### **Audit fees at a 25 year low as part of the Audit Commission's legacy**

Read the full Audit Commission press release at:

<http://www.audit-commission.gov.uk/2014/10/wpsf1516pr/>

### **Protecting the Public Purse: 25 years on**

Read the final NFI report produced by the Audit Commission before its closure in March 2015 at:

<http://www.audit-commission.gov.uk/wp-content/uploads/2014/10/Protecting-the-Public-Purse-2014-Fighting-Fraud-against-Local-Government-online.pdf>

### **Open and Accountable Government**

The guide for press on attending and reporting meetings of local government is available at:

<https://www.gov.uk/government/publications/open-and-accountable-local-government-plain-english-guide>

### **Whistleblowing**

Feedback from the consultation is currently being analysed. The output from the consultation when it becomes available will be accessed via:

<https://www.gov.uk/government/consultations/whistleblowing-prescribed-persons-reporting-requirements>

To download the EY flyer on whistleblowing, visit:

[http://www.ey.com/Publication/vwLUAssets/EY\\_-\\_Whistleblowing\\_-\\_change\\_is\\_coming/\\$FILE/EY-whistleblowing.pdf](http://www.ey.com/Publication/vwLUAssets/EY_-_Whistleblowing_-_change_is_coming/$FILE/EY-whistleblowing.pdf)

For more information on how EY can help you enhance your existing whistleblowing framework, speak to a member of your engagement team.





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