

# Audit Committee

23rd November 2021



**Report of:** Chief Internal Auditor

**Title:** Counter Fraud Update Report

**Ward:** N/A

**Officer Presenting Report:** Simba Muzarurwi – Chief Internal Auditor

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## Recommendation

The Audit Committee note the Counter Fraud Update report for the period of 1<sup>st</sup> April to October 2021.

## Summary

This Report provides the Committee with summary of the work undertaken by the Internal Audit – Counter Fraud team during April 2021 to October 2021.

## Significant Matters Arising:

The key messages arising from this report are;

- Counter-fraud work in key fraud risk areas continues to contribute significant benefits across the Council in the fight against fraud. The report details these benefits and advises how key fraud risks to the council are being tackled.
- Procurement of a fraud hub to maximise the use of data and analytics in fraud prevention and detection has progressed to enhance counter-fraud arrangements.
- Whistleblowing referrals have increased from previous levels which might indicate increased confidence by staff in using the procedure.
- a number of fraud referrals have been investigated by the team, details and outcomes of which are included in the report.

**1. Policy**

Audit Committee Terms of Reference

**2. Consultation**

Internal – Corporate Leadership Board including S151 Officer, Cabinet Member for Governance, Resources and Finance.

External – N/A

**3. Context**

3.1 This is the half yearly update report outlining the counter fraud work that has taken place in Bristol City Council. The report is provided to:

- provide an overview of the work and results of the Counter Fraud and Investigation team during the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> October 2021;
- demonstrate how the Council is dealing with some of the fraud risks it is subject to;

3.2 The full report can be found at Appendix A

3.3 Key points arising from the Fraud Update Report:

- The work of the team continues to contribute significant benefits across the Council as reflected by the following outcomes:
  - Recoverable savings of £153,306
  - Notional savings of £893,700
  - Ongoing savings of over £2,209 per week identified.
  - 13 council properties regained /other positive housing outcome
- The team has progressed procurement of and commenced implementation of the Cabinet Office Fraud Hub for enhanced fraud detection.
- Work to improve the process and confidence in whistleblowing procedures has taken place and 5 cases have been closed in the current year to date, some resulting in service improvements. The number of referrals received during the period has increased from previous levels which could indicate increasing confidence by staff to use the procedure.
- 22 fraud referrals have also been investigated.
- Fraud awareness week provides the opportunity for the team to undertake a number of awareness initiatives across the Council.

**4. Proposal**

4.1 The Audit Committee notes the work of the Internal Audit – Counter Fraud and Investigations team during the period of covered by the report and the results there of.

**5. Other Options Considered – N/A**

**6. Risk Assessment**

The work of Internal Audit Counter Fraud team reduces fraud losses and increases the potential for prevention and detection of such issues.

**Public Sector Equality Duties**

7a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
  - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
  - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
  - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
  - tackle prejudice; and
  - promote understanding.

7b) No Equality Impact anticipated from this report.

**Legal and Resource Implications**

**Legal – N/A**

**Financial – N/A**

**Land – N/A**

**Personnel – N/A**

**Appendices:**

**Appendix A** – Internal Audit – Counter Fraud Update Report

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers:**